

Senate Bill 1577

Sponsored by Senator JOHNSON (Presession filed.)

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**.

Establishes Legislative Committee on Accountability as joint committee of Legislative Assembly composed of equal number of majority and minority members. Directs committee to appoint Director of Legislative Accountability Office and majority and minority counsels. Authorizes director to employ all other staff of Legislative Accountability Office.

Charges office with conducting performance and management audits of state agencies, state programs and state-funded programs, with investigating allegations of illegal or improper activities by state agencies, state programs and state-funded programs, with investigating and reporting on effectiveness of state government programs and policies in meeting objectives and with performing policy analysis for Legislative Assembly. Directs office to report findings and recommendations to committee.

Statutory powers and duties of office become operative January 1, 2017.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to legislative oversight; creating new provisions; amending ORS 171.425, 171.585 and
3 244.050; and declaring an emergency.

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

5 **SECTION 1. (1) The Legislative Committee on Accountability is established as a joint**
6 **committee of the Legislative Assembly. The committee consists of an equal number of ma-**
7 **jority and minority members of the Senate appointed by the President of the Senate and an**
8 **equal number of majority and minority members of the House appointed by the Speaker of**
9 **the House of Representatives. The appointing authorities shall appoint members of a new**
10 **committee within 30 days after the date of the convening of each odd-numbered year regular**
11 **session of the Legislative Assembly.**

12 **(2) The term of a member of the committee expires upon the date of the convening of**
13 **the odd-numbered year regular session of the Legislative Assembly next following the**
14 **member's appointment. Vacancies occurring in the membership of the committee shall be**
15 **filled by the appointing authority.**

16 **(3) The committee has a continuing existence and may meet, act and conduct its business**
17 **during the sessions of the Legislative Assembly or any recess thereof, and in the interim**
18 **period between sessions but the committee has no authority to affect the rules of either**
19 **house.**

20 **(4) The Legislative Committee on Accountability may appoint advisory committees or**
21 **subcommittees. Except as otherwise provided in this subsection, individuals other than**
22 **members of the Legislative Assembly may serve on such advisory committees or subcom-**
23 **mittees. A member of an advisory committee or subcommittee who is not a member of the**
24 **Legislative Assembly shall be compensated and reimbursed in the manner provided in ORS**
25 **292.495.**

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 (5) The Legislative Committee on Accountability may not transact business unless a
2 quorum is present. A quorum consists of a majority of committee members from the House
3 of Representatives and a majority of committee members from the Senate.

4 (6) Action by the committee requires the affirmative vote of a majority of committee
5 members from the House of Representatives and a majority of committee members from the
6 Senate.

7 (7) The expiration of the terms of members of the committee does not affect the em-
8 ployment of any individual filling a position previously approved by the committee.

9 **SECTION 2.** (1) The Legislative Accountability Office is hereby established. The Legisla-
10 tive Committee on Accountability established under section 1 of this 2016 Act shall select a
11 Director of the Legislative Accountability Office to serve as the executive officer of the of-
12 fice.

13 (2) The director serves at the pleasure of the committee and is under the direction of the
14 committee.

15 (3) Except as provided in subsection (4) of this section, the director may employ and fix
16 the compensation of such professional assistants and other employees as the director deems
17 necessary for the work under the charge of the director. The Legislative Accountability Of-
18 fice comprises individuals employed under this section.

19 (4)(a) The majority members of the committee shall appoint a majority counsel to the
20 office. The minority members of the committee shall appoint a minority counsel to the office.

21 (b) The majority and minority counsels must be members in good standing of the Oregon
22 State Bar.

23 (c) The majority and minority counsels serve at the pleasure of the committee and are
24 under the direction of the director.

25 (5) The committee shall fix the annual salary of the director and the counsels. Subject
26 to the limitations otherwise provided by law for expenses of state officers, the director and
27 counsels shall be reimbursed for actual and necessary expenses incurred or paid by the di-
28 rector or counsels in the performance of their duties.

29 **SECTION 3.** (1) Pursuant to the policies of the Legislative Committee on Accountability
30 and at the direction of the committee, the Legislative Accountability Office established under
31 section 2 of this 2016 Act shall:

32 (a) Conduct performance and management audits of state agencies, state programs and
33 state-funded programs;

34 (b) Investigate allegations of illegal or improper activities by state agencies, state pro-
35 grams and state-funded programs and issue opinions thereon;

36 (c) Investigate and report on the effectiveness of state government programs and policies
37 in meeting objectives; and

38 (d) Perform policy analysis and outline options for consideration by the Legislative As-
39 sembly.

40 (2) The Director of the Legislative Accountability Office may enter into contracts to
41 carry out the functions of the office.

42 (3) When the office completes a task described in subsection (1)(a), (b) or (c) of this
43 section, the office shall report findings and recommendations to the committee.

44 **SECTION 4.** (1) In conducting an audit or investigation under section 3 of this 2016 Act,
45 the Legislative Accountability Office:

1 (a) May examine and inspect all accounts, books, records, files, papers and documents
2 and all financial affairs of any public body as defined in ORS 174.109.

3 (b) May cause a search to be made of and extracts to be taken from any account, book,
4 record, file, paper or document in the custody of a public officer without paying a fee for the
5 search or extract. A public officer having custody of the account, book, record, file, paper
6 or document shall make any search requested by the office and furnish the extracts as re-
7 quested.

8 (2) In conducting an audit or investigation under section 3 of this 2016 Act, a counsel of
9 or the Director of the Legislative Accountability Office may issue:

10 (a) A subpoena compelling at a specified time and place the appearance and sworn testi-
11 mony of any person who the director or counsel reasonably believes may be able to provide
12 information relating to any audit or other investigation being conducted under section 3 of
13 this 2016 Act.

14 (b) A subpoena duces tecum compelling the production of any account, book, record, file,
15 paper, document or other evidence that the director or counsel reasonably believes may re-
16 late to an audit or investigation being conducted under section 3 of this 2016 Act.

17 (3) If a person fails to comply with a subpoena issued under subsection (2) of this section,
18 a judge of the circuit court of any county, on application of the director or a counsel, shall
19 compel obedience by proceedings for contempt as in the case of disobedience of the require-
20 ments of a subpoena issued from the circuit court.

21 **SECTION 5.** (1) As used in this section, "working papers" means the notes, internal
22 memoranda and records of work performed by the Legislative Accountability Office on au-
23 dits, investigations and other projects undertaken under sections 1 to 6 of this 2016 Act, in-
24 cluding any evidence collected or developed by the office.

25 (2) The Director of the Legislative Accountability Office and any employees of the office
26 are not required to disclose any working papers.

27 (3) Any communication made by a counsel of the Legislative Accountability Office to a
28 member, committee or staff of the Legislative Assembly, or any communication made by a
29 member, committee or staff of the Legislative Assembly to a counsel of the Legislative Ac-
30 countability Office, is confidential and may be revealed only as permitted by the member,
31 committee or staff.

32 **SECTION 6.** (1) In conducting audits and investigations under section 3 of this 2016 Act,
33 the Legislative Accountability Office may utilize the services of the Division of Audits, the
34 Budget and Management Division and other statutory agencies and staff of the Legislative
35 Assembly.

36 (2) All other public bodies, as defined in ORS 174.109, shall assist the office in the per-
37 formance of its work and duties.

38 **SECTION 7.** ORS 171.425 is amended to read:

39 171.425. The State Archivist shall allow the Legislative Fiscal Officer, the Legislative Adminis-
40 trator, the Legislative Counsel, [or] the Legislative Revenue Officer **or the counsels of or Director**
41 **of the Legislative Accountability Office** to borrow and temporarily have possession of such leg-
42 islative records as such officer requests.

43 **SECTION 8.** ORS 171.585 is amended to read:

44 171.585. (1) The Joint Legislative Audit Committee shall:

45 [(1)] (a) Review all audits **conducted by the Secretary of State** and make recommendations for

1 change or remediation by the agency or other organization under review to the Emergency Board
 2 or to the Joint Interim Committee on Ways and Means, the Joint Committee on Ways and Means
 3 and other persons receiving the audit report under ORS 192.245.

4 [(2)] (b) Accept requests for performance and program audits from [*individual legislators, legis-*
 5 *lative committees,*] the Division of Audits, the Budget and Management Division and the Legislative
 6 Fiscal Office.

7 [(3)] (c) In conjunction with the Director of the Division of Audits, set priorities on the basis
 8 of risk assessment for performance and program audits and program evaluations.

9 [(4)] (d) With the advice and assistance of the Legislative Fiscal Officer, the Administrator of
 10 the Budget and Management Division and the Director of the Division of Audits, determine the type
 11 of audit, evaluation or review utilizing criteria to include but not be limited to the nature and scope
 12 of the task, the time frame involved, necessary professional guidelines, economy, efficiency, cost and
 13 cost responsibility.

14 [(5)] (e) Not later than 12 months after the issuance of an audit report, review the actions of
 15 an agency or other government organization for compliance with the recommendations of the audit
 16 report.

17 [(6)] (f) Assign tasks to the Legislative Fiscal Office, the Budget and Management Division, the
 18 Division of Audits or a special task force.

19 [(7)] (g) Review state agency performance measures and make recommendations for change.

20 **(2) Members and committees of the Legislative Assembly may request performance or**
 21 **management audits or investigations of state agencies, state programs and state-funded**
 22 **programs only from the Legislative Committee on Accountability established under sections**
 23 **1 to 6 of this 2016 Act.**

24 **SECTION 9.** ORS 244.050 is amended to read:

25 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon
 26 Government Ethics Commission a verified statement of economic interest as required under this
 27 chapter:

28 (a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the
 29 Bureau of Labor and Industries, district attorneys and members of the Legislative Assembly.

30 (b) Any judicial officer, including justices of the peace and municipal judges, except any pro tem
 31 judicial officer who does not otherwise serve as a judicial officer.

32 (c) Any candidate for a public office designated in paragraph (a) or (b) of this subsection.

33 (d) The Deputy Attorney General.

34 (e) The Deputy Secretary of State.

35 (f) The Legislative Administrator, the Legislative Counsel, the Legislative Fiscal Officer, **the**
 36 **counsels of and the Director of the Legislative Accountability Office**, the Secretary of the
 37 Senate and the Chief Clerk of the House of Representatives.

38 (g) The president and vice presidents, or their administrative equivalents, in each public uni-
 39 versity listed in ORS 352.002.

40 (h) The following state officers:

41 (A) Adjutant General.

42 (B) Director of Agriculture.

43 (C) Manager of State Accident Insurance Fund Corporation.

44 (D) Water Resources Director.

45 (E) Director of Department of Environmental Quality.

- 1 (F) Director of Oregon Department of Administrative Services.
- 2 (G) State Fish and Wildlife Director.
- 3 (H) State Forester.
- 4 (I) State Geologist.
- 5 (J) Director of Human Services.
- 6 (K) Director of the Department of Consumer and Business Services.
- 7 (L) Director of the Department of State Lands.
- 8 (M) State Librarian.
- 9 (N) Administrator of Oregon Liquor Control Commission.
- 10 (O) Superintendent of State Police.
- 11 (P) Director of the Public Employees Retirement System.
- 12 (Q) Director of Department of Revenue.
- 13 (R) Director of Transportation.
- 14 (S) Public Utility Commissioner.
- 15 (T) Director of Veterans' Affairs.
- 16 (U) Executive director of Oregon Government Ethics Commission.
- 17 (V) Director of the State Department of Energy.
- 18 (W) Director and each assistant director of the Oregon State Lottery.
- 19 (X) Director of the Department of Corrections.
- 20 (Y) Director of the Oregon Department of Aviation.
- 21 (Z) Executive director of the Oregon Criminal Justice Commission.
- 22 (AA) Director of the Oregon Business Development Department.
- 23 (BB) Director of the Office of Emergency Management.
- 24 (CC) Director of the Employment Department.
- 25 (DD) Chief of staff for the Governor.
- 26 (EE) Administrator of the Office for Oregon Health Policy and Research.
- 27 (FF) Director of the Housing and Community Services Department.
- 28 (GG) State Court Administrator.
- 29 (HH) Director of the Department of Land Conservation and Development.
- 30 (II) Board chairperson of the Land Use Board of Appeals.
- 31 (JJ) State Marine Director.
- 32 (KK) Executive director of the Oregon Racing Commission.
- 33 (LL) State Parks and Recreation Director.
- 34 (MM) Public defense services executive director.
- 35 (NN) Chairperson of the Public Employees' Benefit Board.
- 36 (OO) Director of the Department of Public Safety Standards and Training.
- 37 (PP) Executive director of the Higher Education Coordinating Commission.
- 38 (QQ) Executive director of the Oregon Watershed Enhancement Board.
- 39 (RR) Director of the Oregon Youth Authority.
- 40 (SS) Director of the Oregon Health Authority.
- 41 (TT) Deputy Superintendent of Public Instruction.
- 42 (i) The First Partner, the legal counsel, the deputy legal counsel and all policy advisors within
43 the Governor's office.
- 44 (j) Every elected city or county official.
- 45 (k) Every member of a city or county planning, zoning or development commission.

- 1 (L) The chief executive officer of a city or county who performs the duties of manager or prin-
 2 cipal administrator of the city or county.
- 3 (m) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- 4 (n) Every member of a governing body of a metropolitan service district and the auditor and
 5 executive officer thereof.
- 6 (o) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- 7 (p) The chief administrative officer and the financial officer of each common and union high
 8 school district, education service district and community college district.
- 9 (q) Every member of the following state boards and commissions:
- 10 (A) Board of Geologic and Mineral Industries.
- 11 (B) Oregon Business Development Commission.
- 12 (C) State Board of Education.
- 13 (D) Environmental Quality Commission.
- 14 (E) Fish and Wildlife Commission of the State of Oregon.
- 15 (F) State Board of Forestry.
- 16 (G) Oregon Government Ethics Commission.
- 17 (H) Oregon Health Policy Board.
- 18 (I) Oregon Investment Council.
- 19 (J) Land Conservation and Development Commission.
- 20 (K) Oregon Liquor Control Commission.
- 21 (L) Oregon Short Term Fund Board.
- 22 (M) State Marine Board.
- 23 (N) Mass transit district boards.
- 24 (O) Energy Facility Siting Council.
- 25 (P) Board of Commissioners of the Port of Portland.
- 26 (Q) Employment Relations Board.
- 27 (R) Public Employees Retirement Board.
- 28 (S) Oregon Racing Commission.
- 29 (T) Oregon Transportation Commission.
- 30 (U) Water Resources Commission.
- 31 (V) Workers' Compensation Board.
- 32 (W) Oregon Facilities Authority.
- 33 (X) Oregon State Lottery Commission.
- 34 (Y) Pacific Northwest Electric Power and Conservation Planning Council.
- 35 (Z) Columbia River Gorge Commission.
- 36 (AA) Oregon Health and Science University Board of Directors.
- 37 (BB) Capitol Planning Commission.
- 38 (CC) Higher Education Coordinating Commission.
- 39 (DD) Oregon Growth Board.
- 40 (EE) Early Learning Council.
- 41 (r) The following officers of the State Treasurer:
- 42 (A) Deputy State Treasurer.
- 43 (B) Chief of staff for the office of the State Treasurer.
- 44 (C) Director of the Investment Division.
- 45 (s) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725

1 or 777.915 to 777.953.

2 (t) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.

3 (u) Every member of a governing board of a public university listed in ORS 352.002.

4 (v) Every member of the board of directors of an authority created under ORS 465.600 to
5 465.621.

6 (2) By April 15 next after the date an appointment takes effect, every appointed public official
7 on a board or commission listed in subsection (1) of this section shall file with the Oregon Govern-
8 ment Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070
9 and 244.090.

10 (3) By April 15 next after the filing deadline for the primary election, each candidate described
11 in subsection (1) of this section shall file with the commission a statement of economic interest as
12 required under ORS 244.060, 244.070 and 244.090.

13 (4) Within 30 days after the filing deadline for the general election, each candidate described in
14 subsection (1) of this section who was not a candidate in the preceding primary election, or who
15 was nominated for public office described in subsection (1) of this section at the preceding primary
16 election by write-in votes, shall file with the commission a statement of economic interest as re-
17 quired under ORS 244.060, 244.070 and 244.090.

18 (5) Subsections (1) to (4) of this section apply only to persons who are incumbent, elected or
19 appointed public officials as of April 15 and to persons who are candidates on April 15. Subsections
20 (1) to (4) of this section also apply to persons who do not become candidates until 30 days after the
21 filing deadline for the statewide general election.

22 (6) If a statement required to be filed under this section has not been received by the commis-
23 sion within five days after the date the statement is due, the commission shall notify the public of-
24 ficial or candidate and give the public official or candidate not less than 15 days to comply with the
25 requirements of this section. If the public official or candidate fails to comply by the date set by the
26 commission, the commission may impose a civil penalty as provided in ORS 244.350.

27 **SECTION 10. Sections 3 to 6 of this 2016 Act and the amendments to ORS 171.425, 171.585**
28 **and 244.050 by sections 7 to 9 of this 2016 Act become operative January 1, 2017.**

29 **SECTION 11. This 2016 Act being necessary for the immediate preservation of the public**
30 **peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect**
31 **on its passage.**

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