

DRAFT

SUMMARY

Requires contracting agency to pay fee to Secretary of State in amount of five one-hundredths of one percent of contract price for public improvement contract. Requires Secretary of State to use proceeds of fee to conduct 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

Relating to public contracts; appropriating money; and declaring an emergency.

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

SECTION 1. Section 2 of this 2013 Act is added to and made a part of ORS chapter 279C.

SECTION 2. (1) A contracting agency that conducts a procurement subject to this chapter, in addition to and not in lieu of the charges specified in ORS 297.230, shall pay a fee equivalent to five one-hundredths of one percent of the contract price for the procurement to the office of the Secretary of State at the time the contracting agency executes the contract. The Secretary of State shall pay the moneys the Secretary of State receives under this subsection to the State Treasurer for deposit in the Public Contracting Audit Account created under section 4 of this 2013 Act.

(2)(a) The Secretary of State shall use the moneys available in the

Public Contracting Audit Account to conduct financial, compliance and performance audits of public contracts that contracting agencies award under the provisions of this chapter. The Secretary of State shall conduct each audit according to standards adopted under ORS 297.070 and, except as provided in paragraph (b) of this subsection, without advance notice to the contracting agency or other parties to the public contract.

(b) If the Secretary of State finds during an audit or receives at any time reliable information concerning fraud, waste, misconduct or abuse for a particular public contract, the Secretary of State may conduct a special investigation of the contracting agency or other parties to the public contract and may use moneys from the Public Contracting Audit Account to conduct the special investigation.

(c) The Secretary of State, in accordance with policies and priorities that the Secretary of State establishes, each year shall allocate the amount of moneys available or projected to be available in the Public Contracting Audit Account during the year toward conducting a regular course of audits under this section.

(3) In addition to complying with the requirements of ORS 297.050, the Secretary of State shall publish the report for every audit the Secretary of State conducts under this section on the Secretary of State's website and on the Oregon transparency website described in ORS 184.483.

SECTION 3. Section 4 of this 2013 Act is added to and made a part of ORS chapter 297.

SECTION 4. The Public Contracting Audit Account is established in the General Fund of the State Treasury. All moneys in the Public Contracting Audit Account are continuously appropriated to the Secretary of State for the purposes set forth in section 2 of this 2013 Act.

SECTION 5. This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is de-

1 **clared to exist, and this 2013 Act takes effect on its passage.**

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