

**OPEGA Proposal on Waiving/Revising Statutory Deadlines for
Submission of Reports from Full Evaluations of Tax Expenditures and
GOC Annual Approval of Full Evaluation Parameters**

Proposed Waivers from Current Statute for 2016 and 2017 Full Evaluations

Submission of Final Reports on 2016 Full Evaluations

Current Statutory Deadline for Submission to GOC (§999.2) – by December 31, 2016

Proposed New Deadline for Submission to GOC – by February 28, 2017

GOC Approval of Evaluation Parameters for 2017 Full Evaluations

Current Statutory Deadline (§999.1) – by January 31, 2017

Proposed New Deadline – by March 31, 2017

Proposed Revisions to Statute for Deadlines on Future Full Evaluations

§999. FULL EVALUATION OF TAX EXPENDITURES

1. Evaluation process. Beginning January 1, 2016, the office shall evaluate each tax expenditure identified under section 998, subsection 1, paragraph A in accordance with the schedule established in section 998, subsection 2.

A. By ~~January 31st~~ **March 31st** of each year, the committee, after consideration of recommendations from the office, shall approve the following for each tax expenditure subject to full evaluation review in that year:

- (1) The purposes, intent or goals of the tax expenditure, as informed by original legislative intent as well as subsequent legislative and policy developments and changes in the state economy and fiscal condition;
- (2) The intended beneficiaries of the tax expenditure;
- (3) The evaluation objectives, which may include an assessment of:
 - (a) The fiscal impact of the tax expenditure, including past and estimated future impacts;
 - (b) The extent to which the design of the tax expenditure is effective in accomplishing the tax expenditure's purposes, intent or goals and consistent with best practices;
 - (c) The extent to which the tax expenditure is achieving its purposes, intent or goals, taking into consideration the economic context, market conditions and indirect benefits;
 - (d) The extent to which those actually benefiting from the tax expenditure are the intended beneficiaries;

(e) The extent to which it is likely that the desired behavior might have occurred without the tax expenditure, taking into consideration similar tax expenditures offered by other states;

(f) The extent to which the State's administration of the tax expenditure, including enforcement efforts, is efficient and effective;

(g) The extent to which there are other state or federal tax expenditures, direct expenditures or other programs that have similar purposes, intent or goals as the tax expenditure, and the extent to which such similar initiatives are coordinated, complementary or duplicative;

(h) The extent to which the tax expenditure is a cost-effective use of resources compared to other options for using the same resources or addressing the same purposes, intent or goals; and

(i) Any opportunities to improve the effectiveness of the tax expenditure in meeting its purposes, intent or goals; and

(4) The performance measures appropriate for analyzing the evaluation objectives. Performance measures must be clear and relevant to the specific tax expenditure and the approved evaluation objectives.

B. Before final approval pursuant to paragraph A, the committee shall seek and consider input from the policy committee and stakeholders and may seek input from experts.

2. Action by office; report. By ~~December 31st~~ **February 28th** of each year, ~~beginning in 2016,~~ the office shall complete the tax expenditure evaluations pursuant to subsection 1 scheduled for ~~that~~ **the prior** year and submit a report on the results to the committee and the policy committee. The office shall seek stakeholder input as part of the report. For each tax expenditure evaluated, the report must include conclusions regarding the extent to which the tax expenditure is meeting its purposes, intent or goals and may include recommendations for continuation or repeal of the tax expenditure or modification of the tax expenditure to improve its performance.