

Senate Bill 8

By: Senators Seabaugh of the 28th, Hill of the 4th, Butterworth of the 50th, Heath of the 31st, Loudermilk of the 52nd and others

AS PASSED SENATE

**A BILL TO BE ENTITLED
AN ACT**

1 To amend Chapter 5B of Title 50 of the Official Code of Georgia Annotated, relating to the
2 state accounting office, so as to direct the state accounting officer to contract with a third
3 party to audit state contracts for the purpose of recovering certain funds; to provide for an
4 annual report; to provide for information from state agencies; to provide for applicability; to
5 provide for related matters; to provide for an effective date; to repeal conflicting laws; and
6 for other purposes.

7 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

8 **SECTION 1.**

9 Chapter 5B of Title 50 of the Official Code of Georgia Annotated, relating to the state
10 accounting office, is amended by adding a new Code section to read as follows:

11 "50-5B-6.

12 (a) No later than July 1, 2011, the state accounting officer shall take steps to seek
13 competitive bids, negotiate and enter into a contract with a third party to perform an audit
14 and collection process of inadvertent overpayments by state agencies to vendors as a result
15 of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed
16 refunds, erroneously paid excise taxes, noncompliance with contract provisions, and related
17 errors for the 2008-2011 fiscal years and on an annual basis for each fiscal year thereafter.

18 The third party shall be compensated on a commission or contingent fee basis, up to a
19 maximum of 20 percent of the amount of the funds recovered. Funds recovered through
20 the execution of this contract shall be submitted to the state accounting officer. The federal
21 portion of these funds shall be returned to the originating agency for disposition with the
22 federal cognizant agency and the nonfederal portion shall be deposited in the state treasury.

23 (b) No later than December 31, 2011, and annually thereafter, the state accounting officer
24 shall submit a report to the Governor, the President of the Senate, the Speaker of the House
25 of Representatives, and the affected state agencies regarding the findings of the audit and
26 collection process conducted pursuant to this Code section.

27 (c) All organizations of state government and all officers, agents, and employees thereof
28 shall provide information to the state accounting officer, and to the third party as directed
29 by the state accounting officer, necessary to enable the performance of the functions
30 required under this Code section.

31 (d) This Code section shall not apply to state administered health care plans, including, but
32 not limited to, the Medicaid program administered pursuant to Article 7 of Chapter 4 of
33 Title 49, the PeachCare for Kids program administered pursuant to Article 13 of Chapter
34 5 of Title 49, the state employees' health insurance plan administered pursuant to Article
35 1 of Chapter 18 of Title 45, or health insurance plans for public school system employees
36 administered pursuant to Part 6 of Article 17 of Chapter 2 of Title 20."

37 **SECTION 2.**

38 This Act shall become effective upon its approval by the Governor or upon its becoming law
39 without such approval.

40 **SECTION 3.**

41 All laws and parts of laws in conflict with this Act are repealed.