
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 177 Session of
2019

INTRODUCED BY BROWNE AND BREWSTER, FEBRUARY 1, 2019

REFERRED TO FINANCE, FEBRUARY 1, 2019

AN ACT

1 Amending Title 64 (Public Authorities and Quasi-Public
2 Corporations) of the Pennsylvania Consolidated Statutes,
3 establishing the Delinquent Debt Intercept Authority.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Title 64 of the Pennsylvania Consolidated
7 Statutes is amended by adding a chapter to read:

8 CHAPTER 62

9 DELINQUENT DEBT INTERCEPT AUTHORITY

10 Subchapter

11 A. General Provisions

12 B. Structure and Powers

13 C. Accounts

14 D. Delinquent Debt Intercept Program

15 E. Executive Agencies

16 F. Nonexecutive Governmental Agencies

17 SUBCHAPTER A

18 GENERAL PROVISIONS

19 Sec.

1 6201. Scope of chapter.

2 6202. Definitions.

3 6203. Construction.

4 § 6201. Scope of chapter.

5 This chapter relates to the Delinquent Debt Intercept
6 Authority.

7 § 6202. Definitions.

8 The following words and phrases when used in this chapter
9 shall have the meaning given to them in this section unless the
10 context clearly indicates otherwise:

11 "Act." The act of July 7, 1947 (P.L.1368, No.542), known as
12 the Real Estate Tax Sale Law.

13 "Authority." The Delinquent Debt Intercept Authority
14 established in section 6211 (relating to authority).

15 "Board." The board of the Delinquent Debt Intercept
16 Authority established in section 6212 (relating to board).

17 "Bureau." As that term is defined under the act.

18 "Certified Commonwealth income tax obligation." A final
19 Commonwealth income tax obligation which has been certified by
20 the office.

21 "Certified debt." Either of the following:

22 (1) A final claim which has been certified by the
23 office.

24 (2) A final claim which has been certified by the
25 governing body of a government agency which is not an
26 executive agency.

27 "Claims." An amount owed to a Federal agency or government
28 agency. The term includes taxes, fines, fees, property tax
29 claims, property tax debts, interest and civil penalties. The
30 term does not include any of the following:

1 (1) A court-ordered child support obligation.

2 (2) A Federal tax liability.

3 (3) An obligation which is less than \$25.

4 (4) An obligation other than a property tax claim or
5 property tax debt, which is secured by collateral.

6 "Commonwealth agency." An executive agency, an independent
7 agency or a State-affiliated entity.

8 "Commonwealth income tax obligation." An obligation owed the
9 Commonwealth under Article III or IV of the act of March 4, 1971
10 (P.L.6, No.2), known as the Tax Reform Code of 1971.

11 "Debtor." A person that owes a claim to a Federal agency or
12 who owes a certified debt to a government agency.

13 "Executive agency." The Governor and the departments,
14 boards, commissions, authorities and other officers and agencies
15 of the Commonwealth. The term does not include a court or other
16 officer or agency of the unified judicial system, the General
17 Assembly and the General Assembly's officers and agencies, an
18 independent agency, a State-affiliated entity, a State-related
19 institution, a political subdivision, a municipal authority or a
20 local, regional or metropolitan transportation authority.

21 "Federal agency." The United States, the President of the
22 United States, the Congress and any department, corporation,
23 agency or instrumentality designated or established by the
24 United States.

25 "Federal payment." A payment to be made by a Federal agency
26 to a person. The term does not include any of the following:

27 (1) A Federal tax refund payment.

28 (2) A Federal payment for salary, wage, pension or other
29 compensation to or on behalf of an employee of a Federal
30 agency.

1 (3) A payment due to an individual under the Social
2 Security Act (49 Stat. 620, 42 U.S.C. § 301 et seq.).

3 (4) A payment due to an individual under Part B of the
4 Black Lung Benefits Act (Public Law 91-173, 30 U.S.C. § 901
5 et seq.).

6 (5) A payment due to an individual under any law
7 administered by the Railroad Retirement Board.

8 (6) Any other payment excluded by the Secretary of the
9 United States Treasury under the Treasury Offset Program.

10 "Federal tax payment." A Federal tax refund payment to be
11 made by a Federal agency to a person.

12 "Final claim." A claim which remains unpaid or uncollected
13 for a period exceeding 30 days from the date the right to appeal
14 or contest the claim first expired.

15 "Final Commonwealth income tax obligation." A Commonwealth
16 income tax obligation which remains unpaid or uncollected for a
17 period exceeding 30 days from the date the right to appeal or
18 contest the obligation first expired.

19 "Fund." The Delinquent Debt Intercept Fund established in
20 section 6221 (relating to fund and accounts).

21 "Governing body."

22 (1) The court, body or board authorized by law to adopt
23 binding resolutions or enact ordinances for a government
24 agency. The term includes an employee or officer of a court,
25 body or board who has by a binding resolution or ordinance
26 been given explicit authority to act for the court, body or
27 board in a particular matter or type of matter.

28 (2) For municipalities which are governed by separate
29 legislative and executive branches, the executive employee or
30 officer who is responsible for revenue collection.

1 "Government agency." Any of the following:

2 (1) A Commonwealth agency.

3 (2) The unified judicial system and the unified judicial
4 system's courts, officers and agencies.

5 (3) The General Assembly and the General Assembly's
6 officers and agencies.

7 (4) A political subdivision.

8 (5) A municipal authority.

9 (6) A local, regional or metropolitan transportation
10 authority.

11 "Independent agency." A board, commission or other agency or
12 officer of the Commonwealth which is not subject to the policy,
13 supervision and control of the Governor. The term does not
14 include the following:

15 (1) A court or other officer or agency of the unified
16 judicial system.

17 (2) The General Assembly and the General Assembly's
18 officers and agencies.

19 (3) An executive agency.

20 (4) A State-affiliated entity.

21 (5) A State-related institution.

22 (6) A political subdivision.

23 (7) A municipal authority.

24 (8) A local, regional or metropolitan transportation
25 authority.

26 "Local, regional or metropolitan transportation authority."
27 An entity meeting the definition of "authority" under 74 Pa.C.S.
28 § 1701 (relating to definitions).

29 "Municipal authority." A public authority created under 53
30 Pa.C.S. Ch. 56 (relating to municipal authorities) or under the

1 former act of May 2, 1945 (P.L.382, No.164), known as the
2 Municipality Authorities Act of 1945.

3 "Office." The Office of the Budget.

4 "Payee." A debtor owed a payment from a Federal agency or an
5 executive agency.

6 "Program." The Delinquent Debt Intercept Program under
7 Subchapter D (relating to Delinquent Debt Intercept Program).

8 "Property tax claim." A claim as defined under section 102
9 of the act.

10 "Property tax debt." A liability of a person in whose name a
11 real property is last registered with a government agency
12 located in a county of the first or second class for a tax
13 levied, with added interest and penalties, by the government
14 agency upon the real property.

15 "Secretary." The Secretary of the Budget.

16 "State-affiliated entity." A Commonwealth authority or a
17 Commonwealth entity.

18 (1) The term includes:

19 (i) The Pennsylvania Turnpike Commission.

20 (ii) The Pennsylvania Housing Finance Agency.

21 (iii) The Commonwealth Financing Authority.

22 (iv) The Pennsylvania Municipal Retirement Board.

23 (v) The Pennsylvania Infrastructure Investment
24 Authority.

25 (vi) The State Public School Building Authority.

26 (vii) The Pennsylvania Higher Educational Facilities
27 Authority.

28 (viii) The State System of Higher Education.

29 (2) The term does not include:

30 (i) A court or other officer or agency of the

1 unified judicial system.

2 (ii) The General Assembly and the General Assembly's
3 officers and agencies.

4 (iii) An executive agency.

5 (iv) A State-related institution.

6 (v) A political subdivision.

7 (vi) A municipal authority.

8 (vii) A local, regional or metropolitan
9 transportation authority.

10 "State payment." A payment to be made by an executive agency
11 to a person. The term does not include any of the following:

12 (1) Payments for salary, wage, pension or other
13 compensation to or on behalf of an employee of an executive
14 agency.

15 (2) Payments to be made to an individual under the act
16 of June 2, 1915 (P.L.736, No.338), known as the Workers'
17 Compensation Act.

18 (3) Payments to be made to an individual under the act
19 of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1),
20 known as the Unemployment Compensation Law.

21 (4) Payments to be made to an individual under the act
22 of June 13, 1967 (P.L.31, No.21), known as the Human Services
23 Code.

24 (5) A refund made in accordance with section 304 of the
25 act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform
26 Code of 1971.

27 "State-related institution." The Pennsylvania State
28 University, the University of Pittsburgh, Lincoln University or
29 Temple University.

30 "Treasury Offset Program." The program authorized under 31

1 U.S.C. § 3716 (relating to administrative offset).

2 § 6203. Construction.

3 This chapter shall be liberally construed in order to affect
4 the public purposes of this chapter.

5 SUBCHAPTER B

6 STRUCTURE AND POWERS

7 Sec.

8 6211. Authority.

9 6212. Board.

10 6213. Powers.

11 § 6211. Authority.

12 (a) Establishment.--There is established an independent
13 authority to be known as the Delinquent Debt Intercept
14 Authority. The authority shall be an instrumentality of the
15 Commonwealth and a body corporate and politic, with corporate
16 succession.

17 (b) Governance.--The authority shall be governed by the
18 board. The powers of the authority shall be exercised by the
19 board.

20 (c) Expenses.--

21 (1) Expenses of the authority shall be paid from income
22 of the authority. Except as provided in this chapter or by
23 other law, the Commonwealth may not be responsible for
24 funding the expenses of the authority.

25 (2) The authority may borrow from the Commonwealth an
26 amount not to exceed \$1,000,000 for the purpose of operation
27 of the authority. Any amount borrowed under this paragraph
28 must be repaid to the Commonwealth by June 30, 2019.

29 (d) Fiscal year.--The fiscal year of the authority shall be
30 the same as the fiscal year of the Commonwealth.

1 (e) Audit.--

2 (1) The accounts and books of the authority shall be
3 examined and audited annually by an independent certified
4 public accounting firm.

5 (2) The authority shall, by December 31 of each year,
6 file a copy of the audit required by paragraph (1) with the
7 Secretary of the Senate and the Chief Clerk of the House of
8 Representatives.

9 (f) Publication.--The authority shall annually transmit
10 notice of a concise financial statement to the Legislative
11 Reference Bureau for publication in the Pennsylvania Bulletin.

12 (g) Cooperation.--Executive agencies, other than the office,
13 shall cooperate with and provide assistance to the authority
14 without financial reimbursement.

15 (h) Existence and dissolution.--

16 (1) The authority shall exist until dissolved by law.

17 (2) The authority shall be dissolved by law if all
18 outstanding liabilities of the authority have been fully paid
19 or provision has been made for payment of all outstanding
20 liabilities of the authority. Upon the dissolution of the
21 authority, all funds, assets and other property of the
22 authority shall vest in the Commonwealth.

23 (i) Procurement.--The authority shall be considered an
24 independent agency for the purposes of 62 Pa.C.S. Pt. I
25 (relating to Commonwealth procurement code).

26 (j) Relationship with office.--

27 (1) The office shall provide administrative services and
28 staff to the authority and the board. The authority shall
29 reimburse the office for the cost of providing the
30 administrative services and staff.

1 (2) The authority shall enter into agreements with the
2 office setting forth the rights and obligations they have to
3 each other in carrying out the authority's and office's
4 respective responsibilities under and to further the intent
5 of this chapter.

6 (k) Applicability.--The following acts shall apply to the
7 authority and the board:

8 (1) The act of July 19, 1957 (P.L.1017, No.451), known
9 as the State Adverse Interest Act.

10 (2) The act of February 14, 2008 (P.L.6, No.3), known as
11 the Right-to-Know Law.

12 (3) The provisions of 65 Pa.C.S. Chs. 7 (relating to
13 open meetings) and 11 (relating to ethics standards and
14 financial disclosure).

15 § 6212. Board.

16 (a) Composition.--The authority shall be governed by a board
17 composed of the following members:

18 (1) The State Treasurer or a designee.

19 (2) The Attorney General or a designee.

20 (3) The secretary or a designee.

21 (4) The Secretary of Revenue or a designee.

22 (5) One individual appointed by the Governor.

23 (6) Four legislative appointees:

24 (i) Appointments are as follows:

25 (A) One individual who is a member of the
26 government of a county and who shall be appointed by
27 the President pro tempore of the Senate.

28 (B) One individual who is a member of the
29 government of a township of the first or second class
30 appointed by the Minority Leader of the Senate.

1 (C) One individual who is a member of the
2 government of a city of the first, second or third
3 class appointed by the Speaker of the House of
4 Representatives.

5 (D) One individual who is a member of a school
6 board appointed by the Minority Leader of the House
7 of Representatives.

8 (ii) Legislative appointees shall serve at the
9 pleasure of the appointing authority.

10 (iii) An individual appointed to the board pursuant
11 to subparagraph (i) may not be a member of the General
12 Assembly or staff of a member of the General Assembly.

13 (b) Organization.--The Governor shall select a member of the
14 board to serve as chairperson. The members shall select the
15 other officers from among the members.

16 (c) Meetings.--The board shall meet at the call of the
17 chairperson.

18 (d) Quorum.--Five members of the board shall constitute a
19 quorum, and the following shall apply:

20 (1) The consent of at least five members of the board,
21 with at least four of the consenting members being appointed
22 under subsection (a)(6), shall be necessary to take action on
23 behalf of the authority for any of the following:

24 (i) Adopting bylaws.

25 (ii) Hiring professionals under section 6213(a)(5)
26 and (6) (relating to powers).

27 (2) The consent of at least five members of the board
28 shall be necessary to take any other action on behalf of the
29 authority.

30 (e) Compensation.--The members of the board may not receive

1 compensation for services as members of the board but shall be
2 entitled to reimbursement for all necessary and reasonable
3 expenses incurred in connection with the performance of the
4 members' duties as a member of the board.

5 (f) Liability.--Members of the board shall not be liable
6 personally for any debt of the authority.

7 (g) Initial appointment and vacancy.--Appointing authorities
8 shall appoint initial members to the board within 30 days of the
9 effective date of this section. Whenever a vacancy occurs on the
10 board, the appointing authority shall appoint a successor member
11 within 30 days of the vacancy.

12 § 6213. Powers.

13 (a) Powers.--The authority may do all of the following:

14 (1) Adopt bylaws and guidelines proposed by the office
15 as necessary.

16 (2) Sue and be sued, implead and be impleaded,
17 interplead, complain and defend in any court.

18 (3) Adopt, use and alter a corporate seal. No seal shall
19 be required to take official action.

20 (4) Establish accounts necessary or desirable for the
21 authority's corporate purposes.

22 (5) Employ an executive director.

23 (6) Retain attorneys, accountants, auditors and
24 consultants to render services and engage the services of
25 other advisors, consultants and agents as necessary. For the
26 purposes of this paragraph, the authority shall be considered
27 an independent agency for purposes of the act of October 15,
28 1980 (P.L.950, No.164), known as the Commonwealth Attorneys
29 Act.

30 (7) Pay or satisfy debts of the authority.

1 (8) Contract and execute instruments.

2 (9) Impose and collect surcharges in connection with the
3 offsetting of debts on behalf of Federal agencies and of
4 certified debts on behalf of government agencies.

5 (10) Agree to and comply with conditions attached to
6 Federal or Commonwealth funds not inconsistent with this
7 chapter.

8 (11) Exercise rights provided by law for the benefit or
9 protection of the authority, a Federal agency or a government
10 agency.

11 (12) Invest money of the authority not required for
12 immediate use, as the board determines.

13 (13) Procure insurance against any loss in connection
14 with the authority's property and other assets.

15 (14) Promulgate and adopt, after consultation with
16 counties and bureaus, regulations, guidelines and statements
17 of policy as the authority deems necessary and appropriate to
18 effectuate the public purposes of this chapter.

19 (15) Do any other appropriate act necessary or
20 convenient to:

21 (i) carry out and effectuate the purposes of this
22 chapter; or

23 (ii) exercise the powers provided in this
24 subsection, including any act reasonably implied from
25 those powers.

26 (b) Duties.--The authority shall do all of the following:

27 (1) Assume the rights, obligations, duties and
28 responsibilities of the Commonwealth under an agreement
29 between the Commonwealth and a Federal agency relating to the
30 participation of the Commonwealth in the Treasury Offset

1 Program.

2 (2) Contract for services related to the implementation
3 and operation of the program.

4 (3) Assist, with the cooperation of counties and
5 bureaus, to ensure accurate and timely notices of payments
6 and offsets of certified debts.

7 (4) Administer the program established in Subchapter D
8 (relating to Delinquent Debt Intercept Program) in accordance
9 with this chapter and the requirements of the Treasury Offset
10 Program.

11 SUBCHAPTER C

12 ACCOUNTS

13 Sec.

14 6221. Fund and accounts.

15 6222. Governmental agency payments.

16 6223. Administrative accounts.

17 § 6221. Fund and accounts.

18 There is established within the State Treasury a special fund
19 known as the Delinquent Debt Intercept Fund. Within the fund,
20 the authority shall establish one or more accounts for each
21 government agency that elects to submit certified debts to the
22 authority for offset against payments to be made by a Federal
23 agency or against State payments to be made by an executive
24 agency. Offsets for certified debts received by the authority
25 under the program shall be deposited into the account of the
26 government agency that certified the final claim upon which the
27 offset was made.

28 § 6222. Governmental agency payments.

29 On the last Friday of each month, the authority shall pay to
30 a government agency that elects to submit certified debts to the

1 authority under the program the money in the account established
2 for the government agency.

3 § 6223. Administrative accounts.

4 The authority shall establish within the fund one or more
5 administrative accounts. Surcharges imposed by the authority
6 under the program shall be deposited into the administrative
7 accounts for use by the authority.

8 SUBCHAPTER D

9 DELINQUENT DEBT INTERCEPT PROGRAM

10 Sec.

11 6231. Federal agreements.

12 6232. Government agencies agreements.

13 6233. Placement.

14 6234. Duration.

15 6235. Notification of offset.

16 6236. Removal.

17 6237. Surcharge.

18 6238. Application of offsets.

19 6239. Applicability of existing statutes.

20 6240. Immunity.

21 § 6231. Federal agreements.

22 (a) Federal and Commonwealth offsets.--The authority, in
23 cooperation with the office, is authorized to enter into an
24 agreement with a Federal agency to participate in the Treasury
25 Offset Program for the offset of Commonwealth income tax
26 obligations and Federal tax payments. The agreement shall
27 provide for the authority to submit the sum of a certified
28 Commonwealth income tax obligation and the surcharge imposed by
29 the authority for offset against Federal tax payments. The
30 agreement shall provide for any debtor notification and remedy

1 or other requirements necessary for participation in the
2 Treasury Offset Program and shall require the Federal agency or
3 Commonwealth to provide the authority with all of the following:

4 (1) The name of the debtor.

5 (2) The last known address of the debtor.

6 (3) The Social Security number or other tax
7 identification number of the debtor.

8 (4) The sum of the certified Commonwealth income tax
9 obligation and the surcharge.

10 (5) The date on which the certified Commonwealth income
11 tax obligation became delinquent.

12 (6) The name, address and telephone number of the
13 Commonwealth department to which questions may be directed.

14 (7) Written certification by the Commonwealth of the
15 certified Commonwealth income tax obligation.

16 (8) Any other information deemed necessary by the
17 authority or the Federal agency.

18 (b) Federal and government agency offsets.--The authority,
19 in cooperation with the office, shall enter into an agreement
20 with a Federal agency to participate in the Treasury Offset
21 Program for the offset of any nontax debts owed to a Federal
22 agency and of any certified debts owed to a government agency.

23 The agreement shall provide for the Federal agency to submit the
24 sum of a nontax debt owed to a Federal agency and the surcharge
25 imposed by the authority for offset against State payments to be
26 made by an executive agency and provide for the authority to
27 submit the sum of a certified debt owed to a government agency
28 and the surcharge imposed by the authority for offset against
29 Federal payments to be made by a Federal agency. The agreement
30 shall provide for any debtor notification and remedy or other

1 requirements necessary for participation in the Treasury Offset
2 Program and shall require the Federal agency or government
3 agency to provide the authority with all of the following:

4 (1) The name of the debtor.

5 (2) The last known address of the debtor.

6 (3) The Social Security number or other tax
7 identification number of the debtor.

8 (4) The sum of the nontax debt or certified debt and the
9 surcharge.

10 (5) The date on which the nontax debt or certified debt
11 became delinquent.

12 (6) The name, address and telephone number of the
13 Federal agency owed the nontax debt or of the government
14 agency owed the certified debt.

15 (7) Written certification by the government official or
16 governing body certifying the nontax debt or certified debt.

17 (8) Any other information deemed necessary by the
18 authority or the Federal agency.

19 § 6232. Government agencies agreements.

20 The authority shall enter into an agreement with the office
21 on behalf of an executive agency and may, in cooperation with
22 the office, enter into an agreement with a government agency,
23 which is not an executive agency, for the offset of certified
24 debts owed to the government agency. The agreement shall provide
25 for the government agency to submit the sum of a certified debt
26 owed to the government agency and the surcharge imposed by the
27 authority for offset against Federal payments to be made by a
28 Federal agency in accordance with an agreement entered into
29 under 6231(b) (relating to Federal agreements) and against State
30 payments to be made by an executive agency. The agreement shall

1 provide for any debtor notification and remedy or other
2 requirements necessary for participation in the program and in
3 the Treasury Offset Program and shall require the government
4 agency to provide the authority with all of the following:

5 (1) The name of the debtor.

6 (2) The last known address of the debtor.

7 (3) The Social Security number or other tax
8 identification number of the debtor.

9 (4) The sum of the certified debt and the surcharge.

10 (5) The date on which the certified debt became
11 delinquent.

12 (6) The name, address and telephone number of the
13 government agency owed the certified debt.

14 (7) Written annual certification by the government
15 official or by the governing body, which is certifying the
16 certified debt.

17 (8) Any other information deemed necessary by the
18 authority or the Federal agency or which is required for
19 participation in the Treasury Offset Program.

20 § 6233. Placement.

21 (a) Certified Commonwealth income tax obligations.--Upon
22 receiving a request from the office, the authority shall attempt
23 to offset the following:

24 (1) the sum of:

25 (i) the certified Commonwealth income tax
26 obligation; and

27 (ii) the surcharge imposed by the authority; against

28 (2) any Federal tax payments to be made by a Federal
29 agency.

30 (b) Federal nontax debt and certified debt.--Upon receiving

1 a request from a Federal agency or a government agency, the
2 authority shall attempt to offset the following:

3 (1) the sum of:

4 (i) the certified debt owed to a government agency
5 or the nontax debt owed to a Federal agency; and

6 (ii) the surcharge imposed by the authority; against
7 (2) any Federal payments to be made by a Federal agency
8 and any State payments to be made by an executive agency.

9 (c) Effect of placement.--

10 (1) A certified debt shall not accrue additional
11 interest or penalties during the period the authority
12 attempts to obtain offset of the certified debt. If a
13 certified debt is removed from the program in accordance with
14 section 6236 (relating to removal), additional interest and
15 penalties shall accrue as provided by law from the date the
16 certified debt is removed from the program.

17 (2) If a certified debt is removed from the program in
18 accordance with section 6236, additional interest and
19 penalties shall accrue as provided by law from the date the
20 authority receives notice from the governmental agency of the
21 authority's intent to remove the certified debt from the
22 program.

23 § 6234. Duration.

24 (a) Federal debts.--Unless otherwise stated in the agreement
25 required by section 6231(b) (relating to Federal agreements),
26 the authority shall continue to attempt to offset a nontax debt
27 owed to a Federal agency against a State payment to be made by
28 an executive agency until one of the following occurs:

29 (1) The nontax debt is paid in full.

30 (2) The Federal agency notifies the authority to cease

1 attempts to offset the nontax debt.

2 (b) Commonwealth income tax obligations.--The authority
3 shall continue to attempt to offset a certified Commonwealth
4 income tax obligation against a Federal tax payment to be made
5 by a Federal agency until one of the following occurs:

6 (1) The certified Commonwealth income tax obligation is
7 paid in full.

8 (2) The office notifies the authority to cease attempts
9 to offset the certified Commonwealth income tax obligation.

10 (c) Government debts.--The authority shall continue to
11 attempt to offset a certified debt owed to a government agency
12 against a Federal payment to be made by a Federal agency or
13 against a State payment to be made by an executive agency until
14 one of the following occurs:

15 (1) The certified debt is paid in full.

16 (2) The government agency notifies the authority to
17 cease attempts to offset the certified debt.

18 § 6235. Notification of offset.

19 Upon an offset being made, the authority shall notify the
20 payee of all of the following:

21 (1) The date the offset occurred.

22 (2) The type and amount of the payment that was offset.

23 (3) The identity of the Federal agency or government
24 agency which requested the offset.

25 (4) The name, address and telephone number of the
26 Federal agency or of the government agency which requested
27 the offset.

28 (5) Any other information required for participation in
29 the Treasury Offset Program.

30 § 6236. Removal.

1 (a) Federal debts.--Unless otherwise stated in the agreement
2 required under section 6231(b) (relating to Federal agreements),
3 a Federal agency may at any time request the authority to remove
4 a nontax debt from the program.

5 (b) Government debts.--

6 (1) Except as provided in paragraph (2), a government
7 agency may at any time request the authority to remove a
8 certified debt from the program.

9 (2) If a government agency elects to remove a certified
10 debt which is a property tax claim, the government agency
11 shall notify the appropriate bureau and the election shall
12 become effective on January 1 of the following calendar year.

13 § 6237. Surcharge.

14 The authority shall establish and impose a surcharge on each
15 offset made against a Federal tax payment or Federal payment to
16 be made by a Federal agency and on each offset made against a
17 State payment to be made by an executive agency. The surcharge
18 shall be a uniform percentage no more than is sufficient to
19 fully fund the operation of the authority.

20 § 6238. Application of offsets.

21 Offsets shall be applied with respect to each debtor in the
22 following order:

23 (1) The surcharge imposed by the authority for an
24 offset.

25 (2) The certified Commonwealth tax obligation.

26 (3) The certified debt owed to a government agency in
27 the date order the certified debt was received by the
28 authority.

29 (4) The nontax debt owed to a Federal agency.

30 § 6239. Applicability of existing statutes.

1 (a) Right-to-Know Law.--The act of February 14, 2008 (P.L.6,
2 No.3), known as the Right-to-Know Law, shall not apply to the
3 program. Data, records and files containing information related
4 to a debtor and which are utilized for the program shall be
5 deemed confidential and privileged.

6 (b) Tax Reform Code of 1971.--The restrictions on the
7 sharing of information gained by the Department of Revenue under
8 the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform
9 Code of 1971, are inapplicable to the share of that information
10 by the Department of Revenue with the authority insofar as the
11 information is necessary to accomplish the program.

12 (c) Court-ordered child support obligations.--An
13 interception or offset of a Federal payment or a State payment
14 for a court-ordered child support obligation shall take priority
15 over an offset made by the authority for a certified
16 Commonwealth tax obligation, a certified debt owed to a
17 government agency or a nontax debt owed to a Federal agency.
18 § 6240. Immunity.

19 The authority shall be immune from suit by debtors as to the
20 validity of a nontax debt owed a Federal agency, of a certified
21 Commonwealth income tax obligation owed the Commonwealth or of a
22 certified debt owed a government agency.

23 SUBCHAPTER E

24 EXECUTIVE AGENCIES

25 Sec.

26 6251. Office of the Budget.

27 6252. Executive agencies.

28 6253. Certification and placement.

29 6254. Duration of placement.

30 6255. Collection of information.

1 § 6251. Office of the Budget.

2 (a) Review.--If the office entered into an agreement
3 relating to participation of the Commonwealth in the Treasury
4 Offset Program under section 6231 (relating to Federal
5 agreements), the office shall review each type of claim imposed,
6 charged or collected by an executive agency and each type of
7 State payment made by an executive agency to determine the
8 appropriate time for the type of claim or type of State payment
9 to be added to the program.

10 (b) Determination.--If the office determines that a type of
11 claim or type of State payment is technically capable of being
12 added to the program, the office shall notify the executive
13 agency which is responsible by law for the collection of the
14 type of claim or for making the type of payment.

15 § 6252. Executive agencies.

16 (a) Commonwealth income tax obligations.--The Department of
17 Revenue shall, by Wednesday of each week, determine if each
18 unpaid or uncollected Commonwealth income tax obligation is a
19 final Commonwealth income tax obligation as of the previous
20 Friday. If the Department of Revenue determines that the
21 Commonwealth income tax obligation is a final Commonwealth
22 income tax obligation, the Department of Revenue shall notify
23 the office of the final Commonwealth income tax obligation
24 within 48 hours of its determination. The notice shall be in the
25 form and manner as required by the office.

26 (b) Claims.--Upon being notified by the office under section
27 6251 (relating to Office of the Budget), each executive agency
28 which is responsible by law for the collection of a claim shall,
29 by the Wednesday of each week, determine if each unpaid or
30 uncollected claim is a final claim as of the previous Friday. If

1 the executive agency determines that the claim is a final claim,
2 the executive agency shall notify the office of the final claim
3 within 48 hours of the executive agency's determination. The
4 notice shall be in the form and manner as required by the
5 office.

6 § 6253. Certification and placement.

7 (a) Final Commonwealth income tax obligations.--Upon receipt
8 of a notice under section 6252(a) (relating to executive
9 agencies), the office shall certify the final Commonwealth
10 income tax obligation as a certified final income tax obligation
11 owed to the Commonwealth and request the authority to attempt to
12 obtain offset of the certified Commonwealth income tax
13 obligation under the program. The request and the information
14 relating to the certified Commonwealth income tax obligation
15 shall be in the form and manner required by the authority.

16 (b) Final claims.--Upon receipt of a notice under section
17 6252(b), the office shall certify the final claim as a certified
18 debt owed to the Commonwealth and request the authority to
19 attempt to obtain offset of the certified debt under the
20 program. The request and the information relating to the
21 certified debt shall be in the form and manner required by the
22 authority.

23 § 6254. Duration of placement.

24 The office shall request the authority to attempt to obtain
25 offset of the certified Commonwealth income tax obligation or
26 certified debt until one of the following occurs:

27 (1) The certified Commonwealth income tax obligation or
28 certified debt is paid in full.

29 (2) Upon good cause shown, the secretary requests the
30 certified Commonwealth income tax obligation or certified

1 debt be removed from the program.

2 § 6255. Collection of information.

3 An executive agency shall collect and transmit to the office
4 the tax identification number of each person with which the
5 executive agency contracts for supply, service or construction
6 under 62 Pa.C.S. (relating to procurement). The office may not,
7 60 days after the effective date of this section, submit a
8 voucher to the Treasury Department for payment unless the tax
9 identification number of the contractor is on record with the
10 office.

11 SUBCHAPTER F

12 NONEXECUTIVE GOVERNMENTAL AGENCIES

13 Sec.

14 6271. Certain government agencies.

15 6272. Certification and placement.

16 6273. Duration of placement.

17 6274. Tax claim bureaus.

18 § 6271. Certain government agencies.

19 The governing body of a government agency which is not an
20 executive agency may enter into an agreement with the authority
21 to submit certified debts owed to the government agency to the
22 authority for offset against Federal payments to be made by a
23 Federal agency in accordance with an agreement entered into
24 under section 6232(b) (relating to government agencies
25 agreements) or against State payments to be made by an executive
26 agency under the program.

27 § 6272. Certification and placement.

28 (a) General rule.--Upon entering into an agreement with the
29 authority in accordance with section 6271 (relating to certain
30 government agencies), if the governing body elects for property

1 tax claims reported to a bureau after January 1, 2019, to be
2 included in the program, the governing body shall certify each
3 final claim which the governing body elects to be included in
4 the program as a debt owed to the government agency. Upon
5 certification, the government agency shall request the authority
6 to obtain offset of the certified debt under the program.
7 Certification and notification under this subsection must occur
8 at least 30 days prior to the date of sale under section 601(a)
9 of the act for each property tax claim. The request and the
10 information relating to the certified debt shall be in the form
11 and manner required by the authority.

12 (b) Property tax debts.--Upon entering into an agreement
13 with the authority in accordance with section 6271, the
14 governing body shall certify each final claim which is a
15 property tax debt which the governing body elects to be included
16 in the program as a debt owed to the government agency. Upon
17 certification, the government agency shall notify the
18 appropriate bureau and shall request the authority to obtain
19 offset of the certified debt under the program. The request and
20 the information relating to the certified debt shall be in the
21 form and manner required by the authority.

22 (c) Existing property tax claims.--Upon entering into an
23 agreement with the authority in accordance with section 6271, if
24 a governing body elects for property tax claims which have been
25 reported to a bureau under section 306 of the act prior to April
26 30, 2019, to be included in the program, the governing body
27 shall certify the property tax debt as a debt owed to the
28 government agency. Upon certification, the governing body shall
29 request the authority to attempt to obtain offset of the
30 certified debt under the program. Certification and notification

1 under this subsection must occur at least 30 days prior to the
2 date of sale under section 601(a) of the act for each property
3 tax claim. The request and information relating to the certified
4 debt shall be in the form and manner required by the authority.

5 § 6273. Duration of placement.

6 A government agency may request the authority to attempt to
7 obtain offset of the certified debt until one of the following
8 occurs:

9 (1) The certified debt is paid in full.

10 (2) The government agency requests the certified debt be
11 removed from the program.

12 § 6274. Tax claim bureaus.

13 (a) Stay.--If a bureau receives notice under section 6272(b)
14 or (c) (relating to certification and placement), the effect of
15 the notice shall operate as a stay of any action of the bureau
16 under the act for the certified claim.

17 (b) Termination.--If a bureau receives notice under section
18 6236(b) (relating to removal), the effect of the notice shall
19 operate as a termination of the stay and the bureau shall resume
20 procedures under the act regarding the certified debt.

21 Section 2. This act shall take effect immediately.