

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1963 Session of  
1991

INTRODUCED BY CLARK, FARGO, HECKLER, CARLSON, DEMPSEY, NAHILL,  
GEIST, NYCE, LAWLESS, TULLI, MARSICO, ANDERSON, ARGALL,  
MERRY, SAURMAN, TRELLO, J. TAYLOR, ADOLPH, BUNT, NOYE,  
ARMSTRONG, HERSHEY, JOHNSON, LANGTRY, ANGSTADT, RAYMOND,  
BILLOW AND FARMER, AUGUST 3, 1991

REFERRED TO COMMITTEE ON APPROPRIATIONS, AUGUST 3, 1991

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,  
2 as amended, "An act relating to the finances of the State  
3 government; providing for the settlement, assessment,  
4 collection, and lien of taxes, bonus, and all other accounts  
5 due the Commonwealth, the collection and recovery of fees and  
6 other money or property due or belonging to the Commonwealth,  
7 or any agency thereof, including escheated property and the  
8 proceeds of its sale, the custody and disbursement or other  
9 disposition of funds and securities belonging to or in the  
10 possession of the Commonwealth, and the settlement of claims  
11 against the Commonwealth, the resettlement of accounts and  
12 appeals to the courts, refunds of moneys erroneously paid to  
13 the Commonwealth, auditing the accounts of the Commonwealth  
14 and all agencies thereof, of all public officers collecting  
15 moneys payable to the Commonwealth, or any agency thereof,  
16 and all receipts of appropriations from the Commonwealth,  
17 authorizing the Commonwealth to issue tax anticipation notes  
18 to defray current expenses, implementing the provisions of  
19 section 7(a) of Article VIII of the Constitution of  
20 Pennsylvania authorizing and restricting the incurring of  
21 certain debt and imposing penalties; affecting every  
22 department, board, commission, and officer of the State  
23 government, every political subdivision of the State, and  
24 certain officers of such subdivisions, every person,  
25 association, and corporation required to pay, assess, or  
26 collect taxes, or to make returns or reports under the laws  
27 imposing taxes for State purposes, or to pay license fees or  
28 other moneys to the Commonwealth, or any agency thereof,  
29 every State depository and every debtor or creditor of the  
30 Commonwealth," further providing for regulations relating to  
31 interest penalties on Commonwealth accounts.

1       The General Assembly of the Commonwealth of Pennsylvania  
2 hereby enacts as follows:

3       Section 1.   Section 1507(a) of the act of April 9, 1929  
4 (P.L.343, No.176), known as The Fiscal Code, added December 13,  
5 1982 (P.L.1155, No.266), is amended to read:

6       Section 1507.   Interest Penalties on Commonwealth Accounts.--

7   (a)   (1)   In accordance with regulations prescribed by the  
8 Secretary of the Budget, each Commonwealth agency which acquires  
9 property or services from a business concern or a qualified  
10 small business concern but which does not make payment for each  
11 such complete delivered item of property or service by the  
12 required payment date may pay an interest penalty to such  
13 business concern, and shall pay an interest penalty to any  
14 qualified small business concern, in accordance with this  
15 section on the amount of the payment which is due.

16       (2)   Such regulations:

17       (i)   shall specify that the required payment date shall be:

18       (A)   the date on which payment is due under the terms of the  
19 contract for the provision of such property or service; or

20       (B)   thirty calendar days after receipt of a proper invoice  
21 for the amount of the payment due, if a specific date on which  
22 payment is due is not established by contract;

23       (ii)   shall specify separate required payment dates for  
24 contracts under which property or services are provided in a  
25 series of partial executions or deliveries, to the extent that  
26 such contract provides for separate payment of such partial  
27 execution or delivery;

28       (iii) shall require that prior to the date upon which  
29 payment without an interest penalty is due, Commonwealth  
30 agencies notify the business concern or qualified small business

1 concern of any defect in goods and services or impropriety in  
2 such invoice which would prevent the running of the time periods  
3 specified in this paragraph; [and]

4 (iii.1) shall require that all Commonwealth bid  
5 solicitations, bid specifications, contract proposals and  
6 contracts contain the statutory and regulatory definitions of a  
7 qualified small business concern and further specific language  
8 clearly stating the requirement that each qualified small  
9 business concern specifically set forth on all invoices to the  
10 Commonwealth that the billing entity is a qualified small  
11 business concern;

12 (iii.2) shall require that each successful Commonwealth  
13 bidder receive a preprinted blank invoice prepaid by the  
14 Commonwealth which meets all the requirements necessary for a  
15 qualified small business concern to obtain permissible interest  
16 payments; and

17 (iv) may require any qualified small business concern to  
18 present on or with the invoice a statement that it meets the  
19 definition of a qualified small business concern contained in  
20 this section.

21 \* \* \*

22 Section 2. This act shall apply to all bid solicitations and  
23 contract proposals prepared on or after the effective date of  
24 this act.

25 Section 3. This act shall take effect immediately.