

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2128 Session of  
1991

INTRODUCED BY G. SNYDER, PERZEL, CAPPABIANCA, MERRY, HERMAN,  
FLEAGLE, HAGARTY, TRELLO, DEMPSEY, BIRMELIN, BUSH, FARMER,  
GEIST, RAYMOND, ALLEN, FOX, LANGTRY, PHILLIPS, ARMSTRONG,  
ANGSTADT, HERSHEY, SAURMAN, NOYE, E. Z. TAYLOR, PRESTON,  
CLYMER, CORNELL, JOHNSON, D. W. SNYDER, SERAFINI, BARLEY,  
FREEMAN, BUNT, CLARK, LEH, SCHULER, HALUSKA, B. SMITH, NICKOL  
AND FOSTER, NOVEMBER 12, 1991

REFERRED TO COMMITTEE ON STATE GOVERNMENT, NOVEMBER 12, 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

1 Commonwealth," further providing for interest penalties on  
2 Commonwealth accounts.

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

5 Section 1. Section 1507(b) and (f) of the act of April 9,  
6 1929 (P.L.343, No.176), known as The Fiscal Code, amended or  
7 added December 13, 1982 (P.L.1155, No.266) and December 12, 1984  
8 (P.L.982, No.196), are amended to read:

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

10 \* \* \*

11 (b) (1) Interest penalties payable on amounts due to a  
12 business concern or qualified small business concern under this  
13 section shall be paid to the business concern for the period  
14 beginning on the day after the required payment date and ending  
15 on the date on which payment on the amount due is made[, except  
16 no interest penalty shall be paid if payment for the complete  
17 delivered item of property or service concerned is made on or  
18 before the fifteenth calendar day after the required payment  
19 date].

20 (2) Interest shall be computed at the rate determined by the  
21 Secretary of Revenue for interest payments on overdue taxes or  
22 the refund of taxes as provided in sections 806 and 806.1 and  
23 any subsequent amendments to those sections.

24 (3) Interest may be paid by separate payment made to a  
25 business concern or qualified small business concern within  
26 thirty days of payment of the original invoice.

27 (4) Any amount of an interest penalty imposed because of a  
28 debt which remains unpaid at the end of any thirty day period  
29 shall be added to the principle amount of the debt and  
30 thereafter interest penalties shall accrue on such added amount.

1       \* \* \*

2       (f) For the purposes of this section:

3       (1) The term "Commonwealth agency" shall include, the  
4 Executive and all departments, boards, bureaus and agencies  
5 hereunder, all independent agencies as defined by section 102 of  
6 the act of October 15, 1980 (P.L.950, No.164), known as the  
7 "Commonwealth Attorneys Act," and the Auditor General, the Board  
8 of Arbitration of Claims, the State Treasurer and the Public  
9 Utility Commission.

10      (2) The term "qualified small business concern" means any  
11 independently owned and operated for-profit business concern  
12 employing [one hundred] two hundred fifty or fewer employees.

13      (3) The term "business concern" means any person engaged in  
14 a trade or business and operating as contractors with  
15 Commonwealth agencies, and nonprofit entities operating as  
16 contractors with Commonwealth agencies.

17      (4) An invoice shall be considered a "proper invoice" when  
18 it contains or is accompanied by such substantiating  
19 documentation as the Secretary of Budget may require by  
20 regulation, and as the Commonwealth agency involved may require  
21 by regulation or contract.

22      (5) An invoice shall be deemed to have been received by an  
23 agency on the later of:

24      (i) the date on which the agency's designated [payment  
25 office or finance center] office to receive such an invoice  
26 actually receives a proper invoice; or

27      (ii) the date on which such agency accepts the property or  
28 service concerned.

29      (6) A payment shall be considered made on the date on which  
30 a check for such payment is [dated.] delivered or placed in the

1 United States mail.

2 (7) This section shall not apply to any "public contracts"  
3 subject to the act of November 26, 1978 (P.L.1309, No.317),  
4 referred to as the Public Works Contract Regulation Law.

5 Section 2. This act shall take effect in 60 days.