
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1859 Session of
2015

INTRODUCED BY GROVE, TALLMAN, BLOOM, KAUFFMAN, MILLARD,
PHILLIPS-HILL, HICKERNELL, WARD, GABLER, RADER, EVERETT, MOUL
AND WARNER, FEBRUARY 23, 2016

REFERRED TO COMMITTEE ON STATE GOVERNMENT, FEBRUARY 23, 2016

AN ACT

1 Amending Title 72 (Taxation and Fiscal Affairs) of the
2 Pennsylvania Consolidated Statutes, providing for reform of
3 State government and the generation of revenue through nontax
4 sources.

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

7 Section 1. The heading of Title 72 of the Pennsylvania
8 Consolidated Statutes is amended and the title is amended by
9 adding parts to read:

10 TITLE 72

11 [TAXATION AND FISCAL AFFAIRS]

12 FISCAL AFFAIRS AND COST SAVINGS

13 Part I

14 (Reserved)

15 Part II

16 NO TAX CODE OF 2015

17 Chapter

18 21. Preliminary Provisions

1 Appropriations Committee of the Senate and the Appropriations
2 Committee of the House of Representatives a thorough and
3 complete list of total lapsed funds for next fiscal year and
4 line items associated with those funds.

5 (b) Remittance.--On June 30, 2016, and every year after, the
6 secretary shall remit to the General Fund no less than
7 \$400,000,000 in lapsed funds for use during the next fiscal year
8 and every fiscal year thereafter.

9 CHAPTER 25

10 ADMINISTRATIVE COST SAVINGS

11 Sec.

12 2501. Definitions.

13 2502. Lean Government Practices Program.

14 2503. Reduction in costs for Commonwealth agencies.

15 § 2501. Definitions.

16 The following words and phrases when used in this chapter
17 shall have the meanings given to them in this section unless the
18 context clearly indicates otherwise:

19 "Committee." The steering committee of the office.

20 "Commonwealth agencies." An agency or department within the
21 executive branch. The term does not include the Office of the
22 Lieutenant Governor, the Office of the Attorney General or the
23 Department of the Auditor General.

24 "Lean government practices." The application of programs,
25 including Six Sigma or Kaizen, designed to improve services
26 through the elimination of waste in bureaucracy by removing
27 unnecessary steps and processes to improve delivery of services
28 in a manner that is faster, more effective, efficient and lower
29 in cost.

30 "Program." The Lean Government Practices Program established

1 under this chapter.

2 "Office." The Governor's Office of Transformation,
3 Innovation, Management and Efficiency.

4 § 2502. Lean Government Practices Program.

5 (a) Establishment.--The Lean Government Practices Program is
6 established within the office to provide training to
7 Commonwealth agencies for training employees in using lean
8 government practices.

9 (b) Steering committee.--The program shall be directed by
10 the committee consisting of heads of all Commonwealth agencies.

11 The committee shall:

12 (1) Consist of:

13 (i) The Secretary of Administration.

14 (ii) The Director of the Governor's Office of
15 Transformation, Innovation, Management and Efficiency.

16 (iii) The Secretary of Policy and Planning.

17 (iv) The Secretary of General Services.

18 (v) The Secretary of the Budget.

19 (vi) The Auditor General or the Auditor General's
20 designee.

21 (vii) One individual chosen by the President pro
22 tempore of the Senate.

23 (viii) One individual chosen by the Minority Leader
24 of the Senate.

25 (ix) One individual chosen by the Speaker of the
26 House of Representatives.

27 (x) One individual chosen by the Minority Leader of
28 the House of Representatives.

29 (2) Identify Commonwealth programs and processes in need
30 of streamlining to improve efficiency and delivery of

1 government services to taxpayers.

2 (3) Develop training and implement strategies to assist
3 in the adoption of lean government practices by Commonwealth
4 agencies.

5 (c) Participation.--

6 (1) Each agency shall designate certain employees to
7 form innovation teams which will receive training in lean
8 government practices by participating in the program.

9 (2) Following completion of the program, members of the
10 innovation team shall begin the process of adopting lean
11 government practices in the members' Commonwealth agency.

12 (3) Following adoption of lean management practices,
13 Commonwealth agencies may request that the office examine
14 programs and processes for additional efficiencies.

15 (d) Administration.--

16 (1) The office shall administer the program and provide
17 an annual report detailing any cost savings and improved
18 delivery of services by Commonwealth agencies from the
19 program.

20 (2) The office may promulgate regulations to assist in
21 the administration of the program, which shall save no less
22 than \$150,000,000 in 2016 and every year after.

23 § 2503. Reduction in costs for Commonwealth agencies.

24 (a) Department of the Auditor General.--The secretary or
25 director of each Commonwealth agency shall work in conjunction
26 with the office and the Department of the Auditor General to
27 ensure that by 2018 the agency works to reduce inefficiencies
28 and to reduce costs by 8%.

29 (b) Limiting growth of costs.--The secretary or director of
30 each Commonwealth agency shall develop any necessary program or

1 procedure to limit the growth of costs to no more than 3%
2 between fiscal years.

3 CHAPTER 27

4 DELINQUENT DEBT INTERCEPT AUTHORITY

5 Subchapter

6 A. General Provisions

7 B. Structure and Powers

8 C. Accounts

9 D. Delinquent Debt Intercept Program

10 E. Executive Agencies

11 F. Nonexecutive Governmental Agencies

12 SUBCHAPTER A

13 GENERAL PROVISIONS

14 Sec.

15 2701. Scope of chapter.

16 2702. Definitions.

17 2703. Construction.

18 § 2701. Scope of chapter.

19 This chapter relates to the Delinquent Debt Intercept
20 Authority.

21 § 2702. Definitions.

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

25 "Authority." The Delinquent Debt Intercept Authority
26 established in section 2711 (relating to authority).

27 "Board." The board of the Delinquent Debt Intercept
28 Authority established in section 2712 (relating to board).

29 "Bureau." As that term is defined under the Real Estate Tax
30 Sale Law.

1 "Certified debt." Either of the following:

2 (1) A final claim which has been certified by the
3 office.

4 (2) A final claim which has been certified by the
5 governing body of a government agency which is not an
6 executive agency.

7 "Certified Commonwealth income tax obligation." A final
8 Commonwealth income tax obligation which has been certified by
9 the office.

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

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

15 (2) A Federal tax liability.

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

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

19 "Commonwealth agency." An executive agency, an independent
20 agency or a State-affiliated entity.

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

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

26 "Executive agency." The Governor and the departments,
27 boards, commissions, authorities and other officers and agencies
28 of the Commonwealth. The term does not include any of the
29 following:

30 (1) A court or other officer or agency of the Unified

1 Judicial System.

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

4 (3) An independent agency.

5 (4) A State-affiliated entity.

6 (5) A State-related institution.

7 (6) A political subdivision.

8 (7) A municipal authority.

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

11 "Federal agency." The United States, the President of the
12 United States, the Congress and any department, corporation,
13 agency or instrumentality designated or established by the
14 United States.

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

17 (1) A Federal tax refund payment.

18 (2) A Federal payment for salary, wage, pension or other
19 compensation to or on behalf of an employee of a Federal
20 agency.

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

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

26 (5) A payment due an individual under any law
27 administered by the Railroad Retirement Board.

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

30 "Federal tax payment." A Federal tax refund payment to be

1 made by a Federal agency to a person.

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

5 "Final Commonwealth income tax obligation." A Commonwealth
6 income tax obligation which remains unpaid or uncollected for a
7 period exceeding 30 days from the date the right to appeal or
8 contest the obligation first expired.

9 "Fund." The Delinquent Debt Intercept Fund.

10 "Government agency." Any of the following:

11 (1) A Commonwealth agency.

12 (2) The Unified Judicial System and the Unified Judicial
13 System's courts, officers and agencies.

14 (3) The General Assembly and the General Assembly's
15 officers and agencies.

16 (4) A political subdivision.

17 (5) A municipal authority.

18 (6) A local, regional or metropolitan transportation
19 authority.

20 "Governing body."

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

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

30 "Independent agency." A board, commission or other agency or

1 officer of the Commonwealth which is not subject to the policy,
2 supervision and control of the Governor. The term does not
3 include the following:

4 (1) A court or other officer or agency of the Unified
5 Judicial System.

6 (2) The General Assembly and the General Assembly's
7 officers and agencies.

8 (3) An executive agency.

9 (4) A State-affiliated entity.

10 (5) A State-related institution.

11 (6) A political subdivision.

12 (7) A municipal authority.

13 (8) A local, regional or metropolitan transportation
14 authority.

15 "Local, regional or metropolitan transportation authority."

16 An entity meeting the definition of "authority" under 74 Pa.C.S.
17 § 1701 (relating to definitions).

18 "Municipal authority." A public authority created under 53
19 Pa.C.S. Ch. 56 (relating to municipal authorities) or under the
20 former act of May 2, 1945 (P.L.382, No.164), known as the
21 Municipality Authorities Act of 1945.

22 "Office." The Office of the Budget.

23 "Payee." A debtor owed a payment from a Federal agency or an
24 executive agency.

25 "Program." The Delinquent Debt Intercept Program established
26 in section 2751 (relating to establishment).

27 "Property tax claim." A claim as defined under section 102
28 of the Real Estate Tax Sale Law.

29 "Property tax debt." A liability of a person in whose name a
30 real property is last registered with a government agency

1 located in a county of the first or second class for a tax
2 levied, with added interest and penalties, by the government
3 agency upon the real property.

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

6 "Secretary." The Secretary of the Budget.

7 "State-affiliated entity." A Commonwealth authority or a
8 Commonwealth entity.

9 (1) The term includes:

10 (i) The Pennsylvania Turnpike Commission.

11 (ii) The Pennsylvania Housing Finance Agency.

12 (iii) The Commonwealth Financing Authority.

13 (iv) The Pennsylvania Municipal Retirement Board.

14 (v) The Pennsylvania Infrastructure Investment
15 Authority.

16 (vi) The State Public School Building Authority.

17 (vii) The Pennsylvania Higher Educational Facilities
18 Authority.

19 (viii) The State System of Higher Education.

20 (2) The term does not include:

21 (i) A court or other officer or agency of the
22 Unified Judicial System.

23 (ii) The General Assembly and the General Assembly's
24 officers and agencies.

25 (iii) An executive agency.

26 (iv) A State-related institution.

27 (v) A political subdivision.

28 (vi) A municipal authority.

29 (vii) A local, regional or metropolitan
30 transportation authority.

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

3 (1) Payments for salary, wage, pension or other
4 compensation to or on behalf of an employee of an executive
5 agency.

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

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

12 (4) Payments to be made to an individual under the act
13 of June 13, 1967 (P.L.31, No.21), known as the Public Welfare
14 Code.

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

18 "State-related institution." The Pennsylvania State
19 University, the University of Pittsburgh, Lincoln University or
20 Temple University.

21 "Treasury Offset Program." The program administered by the
22 Bureau of Fiscal Service's Debt Management Services in
23 accordance with 26 U.S.C. § 6402(d) (relating to authority to
24 make credits or refunds) and 31 U.S.C. § 3720A (relating to
25 reduction of tax refund by amount of debt).
26 § 2703. Construction.

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

29 SUBCHAPTER B

30 STRUCTURE AND POWERS

1 Sec.

2 2711. Authority.

3 2712. Board.

4 2713. Powers.

5 § 2711. Authority.

6 (a) Establishment.--There is established an independent
7 authority to be known as the Delinquent Debt Intercept
8 Authority. The authority shall be an instrumentality of the
9 Commonwealth and a body corporate and politic, with corporate
10 succession.

11 (b) Governance.--The authority shall be governed by the
12 board. The powers of the authority shall be exercised by the
13 board.

14 (c) Expenses.--

15 (1) Expenses of the authority shall be paid from income
16 of the authority. Except as provided in this chapter or by
17 other law, the Commonwealth may not be responsible for
18 funding the expenses of the authority.

19 (2) The authority may borrow from the Commonwealth an
20 amount not to exceed \$1,000,000 for the purpose of operation
21 of the authority. Any amount borrowed under this paragraph
22 must be repaid to the Commonwealth by June 30, 2016.

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

25 (e) Audit.--

26 (1) The accounts and books of the authority shall be
27 examined and audited annually by an independent certified
28 public accounting firm.

29 (2) The authority shall, by December 31 of each year,
30 file a copy of the audit required by paragraph (1) with the

1 Secretary of the Senate and the Chief Clerk of the House of
2 Representatives.

3 (f) Publication.--The authority shall annually publish a
4 concise financial statement in the Pennsylvania Bulletin.

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

8 (h) Existence and dissolution.--

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

10 (2) The authority shall be dissolved by law if all
11 outstanding liabilities of the authority have been fully paid
12 or provision has been made for payment of all outstanding
13 liabilities of the authority. Upon the dissolution of the
14 authority, all funds, assets and other property of the
15 authority shall vest in the Commonwealth.

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

19 (j) Relationship with office.--

20 (1) The office shall provide administrative services and
21 staff to the authority and the board. The authority shall
22 reimburse the office for the cost of providing the
23 administrative services and staff.

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

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

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

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

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

8 § 2712. Board.

9 (a) Establishment.--There is a established the board of the
10 Delinquent Debt Intercept Authority.

11 (a.1) Composition.--The board shall be composed of the
12 following members:

13 (1) The State Treasurer or a designee.

14 (2) The Attorney General or a designee.

15 (3) The Secretary of the Budget or a designee.

16 (4) The Secretary of the Department of Revenue or a
17 designee.

18 (5) One individual appointed by the Governor.

19 (6) Four legislative appointees.

20 (i) Appointments are as follows:

21 (A) One individual who is a member of the
22 government of a county and who shall be appointed by
23 the President pro tempore of the Senate.

24 (B) One individual who is a member of the
25 government of a township of the first or second class
26 appointed by the Minority Leader of the Senate.

27 (C) One individual who is a member of the
28 government of a city of the first, second or third
29 class appointed by the Speaker of the House of
30 Representatives.

1 (D) One individual who is a member of a school
2 board appointed by the Minority Leader of the House
3 of Representatives.

4 (ii) Legislative appointees shall serve at the
5 pleasure of the appointing authority.

6 (iii) An individual appointed to the board pursuant
7 to subparagraph (i) may not be a member of the General
8 Assembly or staff of a member of the General Assembly.

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

12 (c) Meetings.--The board shall meet at the call of the
13 chairperson.

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

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

20 (i) Adopting bylaws.

21 (ii) Hiring professionals under section 2713(a) (5)
22 and (6) (relating to powers).

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

26 (e) Compensation.--The members of the board may not receive
27 compensation for services as members of the board but shall be
28 entitled to reimbursement for all necessary and reasonable
29 expenses incurred in connection with the performance of the
30 members' duties as a member of the board.

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

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

8 § 2713. Powers.

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

10 (1) Adopt bylaws and guidelines proposed by the office
11 as necessary.

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

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

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

18 (5) Employ an executive director.

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

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

27 (8) Contract and execute instruments.

28 (9) Impose and collect surcharges in connection with the
29 offsetting of debts on behalf of Federal agencies and of
30 certified debts on behalf of government agencies.

1 (10) Agree to and comply with conditions attached to
2 Federal or Commonwealth funds not inconsistent with this
3 chapter.

4 (11) Exercise rights provided by law for the benefit or
5 protection of the authority, a Federal agency or a government
6 agency.

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

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

11 (14) Promulgate and adopt, after consultation with
12 counties and bureaus, regulations, guidelines and statements
13 of policy as the agency deems necessary and appropriate to
14 effectuate the public purposes of this chapter.

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

17 (i) carry out and effectuate the purposes of this
18 chapter; or

19 (ii) exercise the powers set forth in this
20 subsection, including any act reasonably implied from
21 those powers.

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

23 (1) Assume the rights, obligations, duties and
24 responsibilities of the Commonwealth under an agreement
25 between the Commonwealth and a Federal agency relating to the
26 participation of the Commonwealth in the Treasury Offset
27 Program.

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

30 (3) Assist, with the cooperation of counties and

1 bureaus, to ensure accurate and timely notices of payments
2 and offsets of certified debts.

3 (4) Administer the program established in section 2751
4 (relating to establishment) in accordance with this chapter
5 and the requirements of the Treasury Offset Program.

6 SUBCHAPTER C

7 ACCOUNTS

8 Sec.

9 2731. Fund and accounts.

10 2732. Governmental agency payments.

11 2733. Administrative accounts.

12 § 2731. Fund and accounts.

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

23 § 2732. Governmental agency payments.

24 On the last Friday of each month, the authority shall pay to
25 a government agency that elects to submit certified debts to the
26 authority under the program the money in the account established
27 for the government agency.

28 § 2733. Administrative accounts.

29 The authority shall establish within the fund one or more
30 administrative accounts. Surcharges imposed by the authority

1 under the program shall be deposited into the administrative
2 accounts for use by the authority.

3 SUBCHAPTER D

4 DELINQUENT DEBT INTERCEPT PROGRAM

5 Sec.

6 2751. Establishment.

7 2752. Federal agreements.

8 2753. Government agencies agreements.

9 2754. Placement.

10 2755. Duration.

11 2756. Notification of offset.

12 2757. Removal.

13 2758. Surcharge.

14 2759. Application of offsets.

15 2760. Applicability of existing statutes.

16 2761. Immunity.

17 § 2751. Establishment.

18 There is established a delinquent debt intercept program.

19 § 2752. Federal agreements.

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

1 Commonwealth to provide the authority with all of the following:

2 (1) The name of the debtor.

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

4 (3) The Social Security number or other tax
5 identification number of the debtor.

6 (4) The sum of the certified Commonwealth income tax
7 obligation and the surcharge.

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

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

12 (7) Written certification by the Commonwealth of the
13 certified Commonwealth income tax obligation.

14 (8) Any other information deemed necessary by the
15 authority or the Federal agency.

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

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

1 agency to provide the authority with all of the following:

2 (1) The name of the debtor.

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

4 (3) The Social Security number or other tax
5 identification number of the debtor.

6 (4) The sum of the nontax debt or certified debt and the
7 surcharge.

8 (5) The date on which the nontax debt or certified debt
9 became delinquent.

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

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

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

17 § 2753. Government agencies agreements.

18 The authority shall enter into an agreement with the office
19 on behalf of an executive agency and may, in cooperation with
20 the office, enter into an agreement with a government agency,
21 which is not an executive agency, for the offset of certified
22 debts owed to the government agency. The agreement shall provide
23 for the government agency to submit the sum of a certified debt
24 owed to the government agency and the surcharge imposed by the
25 authority for offset against Federal payments to be made by a
26 Federal agency in accordance with an agreement entered into
27 under section 2752(b) (relating to Federal agreements) and
28 against State payments to be made by an executive agency. The
29 agreement shall provide for any debtor notification and remedy
30 or other requirements necessary for participation in the program

1 and in the Treasury Offset Program and shall require the
2 government agency to provide the authority with all of the
3 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 debt and the surcharge.

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

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

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

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

19 § 2754. Placement.

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

23 (1) the sum of:

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

26 (ii) the surcharge imposed by the authority; against
27 (2) any Federal tax payments to be made by a Federal
28 agency.

29 (b) Federal nontax debt and certified debt.--Upon receiving
30 a request from a Federal agency or a government agency, the

1 authority shall attempt to offset the following:

2 (1) the sum of:

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

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

6 (2) any Federal payments to be made by a Federal agency
7 and any State payments to be made by an executive agency.

8 (c) Effect of placement.--

9 (1) A certified debt shall not accrue additional
10 interest or penalties during the period the authority
11 attempts to obtain offset of the certified debt. If a
12 certified debt is removed from the program in accordance with
13 section 2757 (relating to removal), additional interest and
14 penalties shall accrue as provided by law from the date the
15 certified debt is removed from the program.

16 (2) If a certified debt is removed from the program in
17 accordance with section 2757, additional interest and
18 penalties shall accrue as provided by law from the date the
19 authority receives notice from the governmental agency of the
20 authority's intent to remove the certified debt from the
21 program.

22 § 2755. Duration.

23 (a) Federal debts.--Unless otherwise stated in the agreement
24 required by 2752 (relating to Federal agreements), the authority
25 shall continue to attempt to offset a nontax debt owed to a
26 Federal agency against a State payment to be made by an
27 executive agency until one of the following occurs:

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

29 (2) The Federal agency notifies the authority to cease
30 attempts to offset the nontax debt.

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

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

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

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

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

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

17 § 2756. Notification of offset.

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

20 (1) The date the offset occurred.

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

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

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

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

29 § 2757. Removal.

30 (a) Federal debts.--Unless otherwise stated in the agreement

1 required under section 2752 (relating to Federal agreements), a
2 Federal agency may at any time request the authority to remove a
3 nontax debt from the program.

4 (b) Government debts.--

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

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

12 § 2758. Surcharge.

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

19 § 2759. Application of offsets.

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

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

24 (2) The certified Commonwealth tax obligation.

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

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

29 § 2760. Applicability of existing statutes.

30 (a) Right-to-Know Law.--The act of February 14, 2008 (P.L.6,

1 No.3), known as the Right-to-Know Law, shall not apply to the
2 program. Data, records and files containing information related
3 to a debtor and which are utilized for the program shall be
4 deemed confidential and privileged.

5 (b) Tax Reform Code of 1971.--The restrictions on the
6 sharing of information gained by the Department of Revenue under
7 the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform
8 Code of 1971, are inapplicable to the sharing of that
9 information by the Department of Revenue with the authority
10 insofar as the information is necessary to accomplish the
11 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 § 2761. 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 2771. Office of the Budget.

27 2772. Executive agencies.

28 2773. Certification and placement.

29 2774. Duration of placement.

30 2775. Collection of information.

1 § 2771. 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 2752 (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 § 2772. 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
25 form and manner as required by the office.

26 (b) Claims.--Upon being notified by the office under section
27 2771 (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 its determination. The notice shall be in the
4 form and manner as required by the office.

5 § 2773. Certification and placement.

6 (a) Final Commonwealth income tax obligations.--Upon receipt
7 of a notice under section 2772(a) (relating to executive
8 agencies), the office shall certify the final Commonwealth
9 income tax obligation as a certified final income tax obligation
10 owed to the Commonwealth and request the authority to attempt to
11 obtain offset of the certified Commonwealth income tax
12 obligation under the program. The request and the information
13 relating to the certified Commonwealth income tax obligation
14 shall be in the form and manner required by the authority.

15 (b) Final claims.--Upon receipt of a notice under section
16 2772(b), the office shall certify the final claim as a certified
17 debt owed to the Commonwealth and request the authority to
18 attempt to obtain offset of the certified debt under the
19 program. The request and the information relating to the
20 certified debt shall be in the form and manner required by the
21 authority.

22 § 2774. Duration of placement.

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

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

28 (2) Upon good cause shown, the secretary requests the
29 certified Commonwealth income tax obligation or certified
30 debt be removed from the program.

1 § 2775. Collection of information.

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

9 SUBCHAPTER F

10 NONEXECUTIVE GOVERNMENTAL AGENCIES

11 Sec.

12 2791. Certain government agencies.

13 2792. Certification and placement.

14 2793. Duration of placement.

15 2794. Tax claim bureaus.

16 § 2791. Certain government agencies.

17 The governing body of a government agency which is not an
18 executive agency may enter into an agreement with the authority
19 to submit certified debts owed to the government agency to the
20 authority for offset against Federal payments to be made by a
21 Federal agency in accordance with an agreement entered into
22 under section 2753 (relating to government agencies agreements)
23 or against State payments to be made by an executive agency
24 under the program.

25 § 2792. Certification and placement.

26 (a) General rule.--Upon entering into an agreement with the
27 authority in accordance with section 2791 (relating to certain
28 government agencies), if the governing body elects for property
29 tax claims reported to a bureau after January 1, 2016, to be
30 included in the program, the governing body shall certify each

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

10 (b) Property tax debts.--Upon entering into an agreement
11 with the authority in accordance with section 2791, the
12 governing body shall certify each final claim which is a
13 property tax debt which it elects to be included in the program
14 as a debt owed to the government agency. Upon certification, the
15 government agency shall notify the appropriate bureau and shall
16 request the authority to obtain offset of the certified debt
17 under the program. The request and the information relating to
18 the certified debt shall be in the form and manner required by
19 the authority.

20 (c) Existing property tax claims.--Upon entering into an
21 agreement with the authority in accordance with section 2791, if
22 a governing body elects for property tax claims which have been
23 reported to a bureau under section 306 of the Real Estate Tax
24 Sale Law prior to April 30, 2016, to be included in the program,
25 the governing body shall certify the property tax debt as a debt
26 owed to the government agency. Upon certification, the governing
27 body shall request the authority to attempt to obtain offset of
28 the certified debt under the program. Certification and
29 notification under this subsection must occur at least 30 days
30 prior to the date of sale under section 601(a) of the Real

1 Estate Tax Sale Law for each property tax claim. The request and
2 information relating to the certified debt shall be in the form
3 and manner required by the authority.

4 § 2793. Duration of placement.

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

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

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

11 § 2794. Tax claim bureaus.

12 (a) Stay.--If a bureau receives notice under section 2792(b)
13 or (c) (relating to certification and placement), the effect of
14 the notice shall operate as a stay of any action of the bureau
15 under the Real Estate Tax Sale Law for the certified claim.

16 (b) Termination.--If a bureau receives notice under section
17 2757(b) (relating to removal), the effect of the notice shall
18 operate as a termination of the stay and the bureau shall resume
19 procedures under the Real Estate Tax Sale Law regarding the
20 certified debt.

21 CHAPTER 29

22 NONSURFACE DRILLING

23 Sec.

24 2901. Definitions.

25 2902. Nonsurface drilling under Commonwealth lands.

26 2903. Revenue.

27 2904. Construction.

28 § 2901. Definitions.

29 The following words and phrases when used in this chapter
30 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 "Company." An entity doing business within this Commonwealth
3 and subject to tax under Article III, IV or VI of the act of
4 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
5 1971.

6 "Department." The Department of Conservation and Natural
7 Resources of the Commonwealth.

8 "Secretary." The Secretary of Conservation and Natural
9 Resources of the Commonwealth.

10 § 2902. Nonsurface drilling under Commonwealth lands.

11 (a) Program established.--The department shall establish a
12 program for the leasing of subsurface rights under State forest
13 and park property for oil and gas development from nonsurface
14 drilling originating from well sites outside the State forest or
15 park property.

16 (b) Lease approval.--The secretary shall have exclusive
17 authority to approve or disapprove any lease under this chapter.
18 The secretary shall provide in writing to the company the reason
19 for the disapproval of a lease.

20 (c) Resubmission upon disapproval.--The following shall
21 apply:

22 (1) A company may resubmit a lease to the department
23 after the company has reasonably attempted to meet the
24 conditions for the secretary's approval.

25 (2) A lease shall be considered approved upon the
26 company's fourth resubmission and subsequent disapproval,
27 unless the secretary provides clear and convincing evidence
28 that the company has failed to make reasonable attempts to
29 meet the secretary's concerns.

30 § 2903. Revenue.

1 Revenue generated from leases under section 2902(a) (relating
2 to nonsurface drilling under Commonwealth lands) shall be
3 deposited by the secretary into the Oil and Gas Lease Fund under
4 58 Pa.C.S. Ch. 25 (relating to oil and gas lease fund).

5 § 2904. Construction.

6 Nothing in this chapter shall be construed to prohibit oil
7 and gas drilling on State forest and park property in accordance
8 with the laws of this Commonwealth.

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