

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 347 Session of
1989

INTRODUCED BY DORR, LETTERMAN, FLICK, CAPPABIANCA, SERAFINI,
GODSHALL, PRESTON, HAGARTY, BURD, LINTON, G. SNYDER, GEIST,
HALUSKA, CLYMER, NOYE, FOX, DISTLER, MORRIS, SEMMEL, HERMAN,
S. H. SMITH, REBER, PHILLIPS, COWELL, BUSH, ANGSTADT,
CORNELL, LANGTRY, BIRMELIN, HECKLER, FARMER, PERZEL, BILLOW,
BARLEY, BUNT, D. W. SNYDER, MERRY, SCHULER, STAIRS,
E. Z. TAYLOR, SAURMAN, STUBAN, HERSHEY, VROON, LEH, BELFANTI,
CIVERA, RAYMOND, McVERRY, LASHINGER, MARSICO AND ROBBINS,
FEBRUARY 8, 1989

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE, FEBRUARY 8, 1989

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

1 imposing taxes for State purposes, or to pay license fees or
2 other moneys to the Commonwealth, or any agency thereof,
3 every State depository and every debtor or creditor of the
4 Commonwealth," further providing for interest penalties on
5 Commonwealth accounts.

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

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

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

13 * * *

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

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

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

30 (4) Any amount of an interest penalty imposed because of a
31 debt which remains unpaid at the end of any thirty day period
32 shall be added to the principle amount of the debt and

1 thereafter interest penalties shall accrue on such added amount.

2 * * *

3 (f) For the purposes of this section:

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

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

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

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

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

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

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

30 (6) A payment shall be considered made on the date on which

1 a check for such payment is [dated] delivered or placed in the
2 United States mail.

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

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