

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1624 Session of
2013

INTRODUCED BY JAMES, BAKER, ROCK, SANKEY, MILLARD, GROVE,
TALLMAN, GINGRICH, EVERETT, PEIFER, R. MILLER, COHEN,
MENTZER, BENNINGHOFF, DENLINGER AND QUINN, JULY 26, 2013

REFERRED TO COMMITTEE ON APPROPRIATIONS, JULY 26, 2013

AN ACT

1 Relating to agreements among governmental units for the
2 operation of payment offsets; and imposing duties on the
3 State Treasurer.

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

6 Section 1. Short title.

7 This act shall be known and may be cited as the Inter-
8 Governmental Payment Offset Act.

9 Section 2. Definitions.

10 The following words and phrases when used in this act shall
11 have the meanings given to them in this section unless the
12 context clearly indicates otherwise:

13 "Commonwealth agency." Any of the following:

14 (1) An office, department, authority, board, multistate
15 agency or commission of the executive branch, an independent
16 agency and a State-affiliated entity. The term includes:

17 (i) The Governor's Office.

18 (ii) The Office of Attorney General, the Department

of the Auditor General and the Treasury Department.

(iii) An organization established by the Constitution of Pennsylvania, a statute or an executive order which performs or is intended to perform an essential governmental function.

(2) The term does not include a judicial or legislative agency.

"Department." The Department of Revenue of the Commonwealth.
Section 3. Payment offset agreement between the Commonwealth and Federal Government.

(a) Authorization.--The department is authorized to enter into an agreement with the United States to participate in the Treasury Offset Program under 31 U.S.C. § 3716 (relating to administrative offset) for the collection of debts owed to a Commonwealth agency. The agreement may provide for the Federal Government to submit debts owed to a Federal agency for offset against Commonwealth and political subdivision payments and provide for the Commonwealth to submit debts owed to a Commonwealth agency or a political subdivision for offset against Federal payments.

(b) Commonwealth payment.--The State Treasurer shall reduce a Commonwealth payment by the amount of a Federal debt submitted in accordance with the agreement authorized by this section and pay the amount to the appropriate Federal official in accordance with the procedures specified in the agreement.

(c) Political subdivision payment.--The appropriate official of a political subdivision shall reduce a political subdivision payment by the amount of a Federal debt submitted in accordance with the agreement authorized by this section and pay the amount to the appropriate Federal official in accordance with the

1 procedures specified in the agreement.

2 Section 4. Payment offset agreement between the Commonwealth
3 and a political subdivision.

4 (a) Authorization.--The department is authorized to enter
5 into an administrative offset agreement with a political
6 subdivision for the collection of debts owed to a Commonwealth
7 agency. The agreement may provide for the political subdivision
8 to submit debts owed to the political subdivision for offset
9 against Commonwealth payments and provide for the Commonwealth
10 to submit debts owed to Commonwealth agencies for offset against
11 political subdivision payments.

12 (b) Commonwealth payment.--The State Treasurer shall reduce
13 a Commonwealth payment by the amount of a political subdivision
14 debt submitted in accordance with the agreement authorized by
15 this section and pay the amount to the appropriate political
16 subdivision official in accordance with the procedures specified
17 in the agreement.

18 (c) Political subdivision payment.--The appropriate official
19 of a political subdivision shall reduce a political subdivision
20 payment by the amount of a Commonwealth debt submitted in
21 accordance with the agreement authorized by this section and pay
22 the amount to the State Treasurer in accordance with the
23 procedures specified in the agreement.

24 Section 5. Payment offset agreement between the Commonwealth
25 and another state.

26 (a) Authorization.--The department is authorized to enter
27 into an administrative offset agreement with another state for
28 the collection of debts owed to a Commonwealth agency. The
29 agreement may provide for the other state to submit debts owed
30 the state for offset against Commonwealth payments and provide

1 for the Commonwealth to submit debts owed to a Commonwealth
2 agency for offset against state payments.

3 (b) Commonwealth payment.--The State Treasurer shall reduce
4 a Commonwealth payment by the amount of a debt of another state
5 submitted in accordance with the agreement authorized by this
6 section and pay the amount to the appropriate official in the
7 other state in accordance with the procedures specified in the
8 agreement.

9 (c) Payment by another state.--An agreement under this
10 section must require the appropriate official of another state
11 to reduce a payment of the other state by the amount of a
12 Commonwealth debt submitted in accordance with the agreement
13 authorized by this section and pay the amount to the State
14 Treasurer in accordance with the procedures specified in the
15 agreement.

16 Section 20. Effective date.

17 This act shall take effect in immediately.