

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1434 Session of  
2014

INTRODUCED BY BROWNE, TEPLITZ, STACK, COSTA, ERICKSON, WHITE,  
HUGHES, SOLOBAY, VANCE AND WILLIAMS, JUNE 23, 2014

REFERRED TO FINANCE, JUNE 23, 2014

AN ACT

1 Amending Title 64 (Public Authorities and Quasi-Public  
2 Corporations) of the Pennsylvania Consolidated Statutes,  
3 establishing the Delinquent Debt Intercept Authority.

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

6 Section 1. Title 64 of the Pennsylvania Consolidated  
7 Statutes is amended by adding a chapter to read:

8 CHAPTER 62

9 DELINQUENT DEBT INTERCEPT AUTHORITY

10 Subchapter

11 A. General Provisions

12 B. Structure and Powers

13 C. Accounts

14 D. Intercept Program

15 E. Executive Agencies

16 F. Nonexecutive Governmental Agencies

17 SUBCHAPTER A

18 GENERAL PROVISIONS

1 Sec.

2 6201. Scope of chapter.

3 6202. Definitions.

4 6203. Construction.

5 § 6201. Scope of chapter.

6 This chapter relates to the Delinquent Debt Intercept  
7 Authority.

8 § 6202. Definitions.

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

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

14 "Authority." The Delinquent Debt Intercept Authority  
15 established in section 6211 (relating to authority).

16 "Board." The board of the Delinquent Debt Intercept  
17 Authority established in section 6212 (relating to board).

18 "Bureau." As that term is defined under the act.

19 "Certified debt." Either of the following:

20 (1) A final claim which has been certified by the  
21 office.

22 (2) A final claim which has been certified by the  
23 governing body of a government agency which is not an  
24 executive agency.

25 "Certified Commonwealth income tax obligation." A final  
26 Commonwealth income tax obligation which has been certified by  
27 the office.

28 "Claims." An amount owed to a Federal agency or government  
29 agency. The term includes taxes, fines, fees, property tax  
30 claims, property tax debts, interest and civil penalties. The

1 term does not include any of the following:

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

3 (2) A Federal tax liability.

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

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

7 "Commonwealth agency." An executive agency, an independent  
8 agency or a State-affiliated entity.

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

12 "Debtor." A person that owes a claim to a Federal agency or  
13 that owes a certified debt to a government agency.

14 "Executive agency." The Governor and the departments,  
15 boards, commissions, authorities and other officers and agencies  
16 of the Commonwealth. The term does not include a court or other  
17 officer or agency of the Unified Judicial System, the General  
18 Assembly and its officers and agencies, an independent agency, a  
19 State-affiliated entity, a State-related institution, a  
20 political subdivision, a municipal authority or a local,  
21 regional or metropolitan transportation authority.

22 "Federal agency." The United States, the President of the  
23 United States, the Congress and any department, corporation,  
24 agency or instrumentality designated or established by the  
25 United States.

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

28 (1) A Federal tax refund payment.

29 (2) A Federal payment for salary, wage, pension or other  
30 compensation to or on behalf of an employee of a Federal

1 agency.

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

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

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

9 (6) Any other payment excluded by the Secretary of the  
10 United States Treasury under the Treasury Offset Program.  
11 "Federal tax payment." A Federal tax refund payment to be  
12 made by a Federal agency to a person.

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

16 "Final Commonwealth income tax obligation." A Commonwealth  
17 income tax obligation which remains unpaid or uncollected for a  
18 period exceeding 30 days from the date the right to appeal or  
19 contest the obligation first expired.

20 "Fund." The Delinquent Debt Intercept Fund.

21 "Government agency." A Commonwealth agency; the Unified  
22 Judicial System and its courts, officers and agencies; the  
23 General Assembly and its officers and agencies; a political  
24 subdivision; a municipal authority or a local, regional or  
25 metropolitan transportation authority.

26 "Governing body."

27 (1) The court, body or board authorized by law to adopt  
28 binding resolutions or enact ordinances for a government  
29 agency. The term includes an employee or officer of a court,  
30 body or board who has by a binding resolution or ordinance

1 been given explicit authority to act for the court, body or  
2 board in a particular matter or type of matter.

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

6 "Independent agency." A board, commission or other agency or  
7 officer of the Commonwealth which is not subject to the policy,  
8 supervision and control of the Governor. The term does not  
9 include a court or other officer or agency of the Unified  
10 Judicial System, the General Assembly and its officers and  
11 agencies, an executive agency, a State-affiliated entity, a  
12 State-related institution, a political subdivision, a municipal  
13 authority or 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 "Political subdivision." As that term is defined in 1  
26 Pa.C.S. § 1991 (relating to definitions).

27 "Program." The Delinquent Debt Intercept Program established  
28 in Subchapter D.

29 "Property tax claim." A claim as defined under section 102  
30 of the act.

1     "Property tax debt." A liability of a person in whose name a  
2     real property is last registered with a government agency  
3     located in a county of the first or second class for a tax  
4     levied, with added interest and penalties, by the government  
5     agency upon the real property.

6     "Secretary." The Secretary of the Budget.

7     "State-affiliated entity." A Commonwealth authority or a  
8     Commonwealth entity. The term includes the Pennsylvania Turnpike  
9     Commission, the Pennsylvania Housing Finance Agency, the  
10    Commonwealth Financing Authority, the Pennsylvania Municipal  
11    Retirement Board, the Pennsylvania Infrastructure Investment  
12    Authority, the State Public School Building Authority, the  
13    Pennsylvania Higher Educational Facilities Authority and the  
14    State System of Higher Education. The term does not include a  
15    court or other officer or agency of the Unified Judicial System,  
16    the General Assembly and its officers and agencies, an executive  
17    agency, a State-related institution, a political subdivision, a  
18    municipal authority or a local, regional or metropolitan  
19    transportation authority.

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

22        (1) Payments for salary, wage, pension or other  
23        compensation to or on behalf of an employee of an executive  
24        agency.

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

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

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

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

7       "State-related institution." The Pennsylvania State  
8       University, the University of Pittsburgh, Lincoln University or  
9       Temple University.

10       "Treasury Offset Program." The program authorized under 31  
11       U.S.C. § 3716 (relating to administrative offset).  
12       § 6203. Construction.

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

15                               SUBCHAPTER B

16                               STRUCTURE AND POWERS

17       Sec.

18       6211. Authority.

19       6212. Board.

20       6213. Powers.

21       § 6211. Authority.

22       (a) Establishment.--There is established an independent  
23       authority to be known as the Delinquent Debt Intercept  
24       Authority. The authority shall be an instrumentality of the  
25       Commonwealth and a body corporate and politic, with corporate  
26       succession.

27       (b) Governance.--The authority shall be governed by the  
28       board. The powers of the authority shall be exercised by the  
29       board.

30       (c) Expenses.--

1       (1) Expenses of the authority shall be paid from income  
2       of the authority. Except as provided in this chapter or by  
3       other law, the Commonwealth shall not be responsible for  
4       funding the expenses of the authority.

5       (2) The authority may borrow from the Commonwealth an  
6       amount not to exceed \$1,000,000 for the purpose of operation  
7       of the authority. Any amount borrowed pursuant to this  
8       paragraph must be repaid to the Commonwealth by June 30,  
9       2015.

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

12      (e) Audit.--

13       (1) The accounts and books of the authority shall be  
14       examined and audited annually by an independent certified  
15       public accounting firm.

16       (2) The authority shall, by December 31 of each year,  
17       file a copy of the audit required by paragraph (1) with the  
18       Secretary of the Senate and the Chief Clerk of the House of  
19       Representatives.

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

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

25      (h) Existence and dissolution.--

26       (1) The authority shall exist until terminated by law.

27       (2) The authority shall be dissolved by law if all  
28       outstanding liabilities of the authority have been fully paid  
29       or provision has been made for payment of all outstanding  
30       liabilities of the authority. Upon the dissolution of the



authority, all funds, assets and other property of the  
authority shall vest in the Commonwealth.

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

(j) Relationship with office.--

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

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

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

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

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

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

§ 6212. Board.

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

(1) The State Treasurer or a designee.

(2) The Attorney General or a designee.

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

(4) The Secretary of the Department of Revenue or a

1 designee.

2 (5) One individual appointed by the Governor.

3 (6) Four legislative appointees.

4 (i) Appointments are as follows:

5 (A) One individual who is a member of the  
6 government of a county and who shall be appointed by  
7 the President pro tempore of the Senate.

8 (B) One individual who is a member of the  
9 government of a township of the first or second class  
10 appointed by the Minority Leader of the Senate.

11 (C) One individual who is a member of the  
12 government of a city of the first, second or third  
13 class appointed by the Speaker of the House of  
14 Representatives.

15 (D) One individual who is a member of a school  
16 board appointed by the Minority Leader of the House  
17 of Representatives.

18 (ii) Legislative appointees shall serve at the  
19 pleasure of the appointing authority.

20 (iii) An individual appointed to the board pursuant  
21 to subparagraph (i) may not be a member of the General  
22 Assembly or staff of a member of the General Assembly.

23 (b) Organization.--The Governor shall select a member of the  
24 board to serve as chairperson. The members shall select from  
25 among themselves such officers as they shall determine.

26 (c) Meetings.--The board shall meet at the call of the  
27 chairperson.

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

30 (1) The consent of at least five members of the board,

1 with at least four of the consenting members being appointed  
2 under subsection (a) (6), shall be necessary to take action on  
3 behalf of the authority for any of the following:

4 (i) Adopting bylaws.

5 (ii) Hiring professionals under section 6213(a) (5)  
6 and (6) (relating to powers).

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

10 (e) Compensation.--The members of the board shall not be  
11 entitled to compensation for their services as members of the  
12 board but shall be entitled to reimbursement for all necessary  
13 and reasonable expenses incurred in connection with the  
14 performance of their duties as members of the board.

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

17 (g) Initial appointment and vacancy.--Appointing authorities  
18 shall appoint initial members to the board within 30 days of the  
19 effective date of this section. Whenever a vacancy occurs on the  
20 board, the appointing authority shall appoint a successor member  
21 within 30 days of the vacancy.

22 § 6213. Powers.

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

24 (1) Adopt bylaws and guidelines proposed by the office  
25 as necessary.

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

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

30 (4) Establish accounts necessary or desirable for its

1 corporate purposes.

2 (5) Employ an executive director.

3 (6) Retain attorneys, accountants, auditors and  
4 consultants to render services and engage the services of  
5 other advisors, consultants and agents as necessary. For the  
6 purposes of this paragraph, the authority shall be considered  
7 an independent agency for purposes of the act of October 15,  
8 1980 (P.L.950, No.164), known as the Commonwealth Attorneys  
9 Act.

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

11 (8) Contract and execute instruments.

12 (9) Impose and collect surcharges in connection with the  
13 offsetting of debts on behalf of Federal agencies and of  
14 certified debts on behalf of governmental agencies.

15 (10) Agree to and comply with conditions attached to  
16 Federal or Commonwealth funds not inconsistent with the  
17 provisions of this chapter.

18 (11) Exercise rights provided by law for the benefit or  
19 protection of the authority, a Federal agency or a government  
20 agency.

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

23 (13) Procure insurance against any loss in connection  
24 with its property and other assets.

25 (14) Promulgate and adopt, after consultation with  
26 counties and bureaus, regulations, guidelines and statements  
27 of policy as it may deem necessary and appropriate to  
28 effectuate the public purposes of this chapter.

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



each government agency that elects to submit certified debts to the authority for offset against payments to be made by a Federal agency or against State payments to be made by an executive agency. Offsets for certified debts received by the authority under the program shall be deposited into the account of the government agency that certified the final claim upon which the offset was made.

§ 6222. Governmental agency payments.

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

§ 6223. Administrative accounts.

The authority shall establish within the fund one or more administrative accounts. Surcharges imposed by the authority under the program shall be deposited into the administrative accounts for use by the authority.

SUBCHAPTER D

DELINQUENT DEBT INTERCEPT PROGRAM

Sec.

6231. Federal agreements.

6232. Government agencies agreements.

6233. Placement.

6234. Duration.

6235. Notification of offset.

6236. Removal.

6237. Surcharge.

6238. Application of offsets.

6239. Applicability of existing statutes.

6240. Immunity.

1 § 6231. Federal agreements.

2 (a) Federal and Commonwealth offsets.--The authority, in  
3 cooperation with the office, is authorized to enter into an  
4 agreement with a Federal agency to participate in the treasury  
5 offset program for the offset of Commonwealth income tax  
6 obligations and Federal tax payments. The agreement shall  
7 provide for the authority to submit the sum of a certified  
8 Commonwealth income tax obligation and the surcharge imposed by  
9 the authority for offset against Federal tax payments. The  
10 agreement shall provide for any debtor notification and remedy  
11 or other requirements necessary for participation in the  
12 treasury offset program and shall require the Federal agency or  
13 Commonwealth to provide the authority with all of the following:

14 (1) The name of the debtor.

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

16 (3) The Social Security number or other tax  
17 identification number of the debtor.

18 (4) The sum of the certified Commonwealth income tax  
19 obligation and the surcharge.

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

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

24 (7) Written certification by the Commonwealth of the  
25 certified Commonwealth income tax obligation.

26 (8) Any other information deemed necessary by the  
27 authority or the Federal agency.

28 (b) Federal and government agency offsets.--The authority,  
29 in cooperation with the office, shall enter into an agreement  
30 with a Federal agency to participate in the treasury offset

program for the offset of any nontax debts owed to a Federal agency and of any certified debts owed to a government agency. The agreement shall provide for the Federal agency to submit the sum of a nontax debt owed to a Federal agency and the surcharge imposed by the authority for offset against State payments to be made by an executive agency and provide for the authority to submit the sum of a certified debt owed to a government agency and the surcharge imposed by the authority for offset against Federal payments to be made by a Federal agency. The agreement shall provide for any debtor notification and remedy or other requirements necessary for participation in the treasury offset program and shall require the Federal agency or government agency to provide the authority with all of the following:

(1) The name of the debtor.

(2) The last known address of the debtor.

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

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

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

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

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

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

§ 6232. Government agencies agreements.

The authority shall enter into an agreement with the office



on behalf of an executive agency and may, in cooperation with  
the office, enter into an agreement with a government agency,  
which is not an executive agency, for the offset of certified  
debts owed to the government agency. The agreement shall provide  
for the government agency to submit the sum of a certified debt  
owed to the government agency and the surcharge imposed by the  
authority for offset against Federal payments to be made by a  
Federal agency in accordance with an agreement entered into  
under 6231(b) (relating to Federal agreements) and against State  
payments to be made by an executive agency. The agreement shall  
provide for any debtor notification and remedy or other  
requirements necessary for participation in the program and in  
the treasury offset program and shall require the government  
agency to provide the authority with all of the following:

(1) The name of the debtor.

(2) The last known address of the debtor.

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

(4) The sum of the certified debt and the surcharge.

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

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

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

(8) Any other information deemed necessary by the  
authority or the Federal agency or which is required for  
participation in the treasury offset program.

§ 6233. Placement.

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

4 (1) the sum of:

5 (i) the certified Commonwealth income tax  
6 obligation; and

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

8 (2) any Federal tax payments to be made by a Federal  
9 agency.

10 (b) Federal nontax debt and certified debt.--Upon receiving  
11 a request from a Federal agency or a government agency, the  
12 authority shall attempt to offset the following:

13 (1) the sum of:

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

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

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

19 (c) Effect of placement.--A certified debt shall not accrue  
20 additional interest or penalties during the period the authority  
21 attempts to obtain offset of the certified debt. If a certified  
22 debt is removed from the program in accordance with section 6236  
23 (relating to removal), additional interest and penalties shall  
24 accrue as provided by law from the date the certified debt is  
25 removed from the program.

26 If a certified debt is removed from the program in accordance  
27 with section 6236, additional interest and penalties shall  
28 accrue as provided by law from the date the authority receives  
29 notice from the governmental agency of its intent to remove the  
30 certified debt from the program.

1 § 6234. Duration.

2 (a) Federal debts.--Unless otherwise stated in the agreement  
3 required by section 6231(b) (relating to Federal agreements),  
4 the authority shall continue to attempt to offset a nontax debt  
5 owed to a Federal agency against a State payment to be made by  
6 an executive agency until one of the following occurs:

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

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

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

14 (1) The certified Commonwealth income tax obligation is  
15 paid in full.

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

18 (c) Government debts.--The authority shall continue to  
19 attempt to offset a certified debt owed to a government agency  
20 against a Federal payment to be made by a Federal agency or  
21 against a State payment to be made by an executive agency until  
22 one of the following occurs:

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

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

26 § 6235. Notification of offset.

27 Upon an offset being made, the authority shall notify the  
28 payee of all of the following:

29 (1) The date the offset occurred.

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

1       (3) The identity of the Federal agency or government  
2       agency which requested the offset.

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

6       (5) Any other information required for participation in  
7       the treasury offset program.

8   § 6236. Removal.

9       (a) Federal debts.--Unless otherwise stated in the agreement  
10      required under section 6231(b) (relating to Federal agreements),  
11      a Federal agency may at any time request the authority to remove  
12      a nontax debt from the program.

13      (b) Government debts.--

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

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

21   § 6237. Surcharge.

22      The authority shall establish and impose a surcharge on each  
23      offset made against a Federal tax payment or Federal payment to  
24      be made by a Federal agency and on each offset made against a  
25      State payment to be made by an executive agency. The surcharge  
26      shall be a uniform percentage no more than is sufficient to  
27      fully fund the operation of the authority.

28   § 6238. Application of offsets.

29      Offsets shall be applied with respect to each debtor in the  
30      following order:

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

3       (2) The certified Commonwealth tax obligation.

4       (3) The certified debt owed to a government agency in  
5       the date order the certified debt was received by the  
6       authority.

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

8       § 6239. Applicability of existing statutes.

9       (a) Right-to-Know Law.--The act of February 14, 2008 (P.L.6,  
10       No.3), known as the Right-to-Know Law, shall not apply to the  
11       program. Data, records and files containing information related  
12       to a debtor and which are utilized for the program shall be  
13       deemed confidential and privileged.

14       (b) Tax Reform Code of 1971.--The restrictions on the  
15       sharing of information gained by the Department of Revenue under  
16       the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform  
17       Code of 1971, are inapplicable to the share of that information  
18       by the Department of Revenue with the authority insofar as the  
19       information is necessary to accomplish the program.

20       (c) Court-ordered child support obligations.--An  
21       interception or offset of a Federal payment or a State payment  
22       for a court-ordered child support obligation shall take priority  
23       over an offset made by the authority for a certified  
24       Commonwealth tax obligation, a certified debt owed to a  
25       government agency or a nontax debt owed to a Federal agency.

26       § 6240. Immunity.

27       The authority shall be immune from suit by debtors as to the  
28       validity of a nontax debt owed a Federal agency, of a certified  
29       Commonwealth income tax obligation owed the Commonwealth or of a  
30       certified debt owed a government agency.

1                                    SUBCHAPTER E

2                                    EXECUTIVE AGENCIES

3    Sec.

4    6251. Office of the Budget.

5    6252. Executive agencies.

6    6253. Certification and placement.

7    6254. Duration of placement.

8    6255. Collection of information.

9    § 6251. Office of the Budget.

10        (a) Review.--If the office entered into an agreement  
11 relating to participation of the Commonwealth in the treasury  
12 offset program under section 6231, the office shall review each  
13 type of claim imposed, charged or collected by an executive  
14 agency and each type of State payment made by an executive  
15 agency to determine the appropriate time for the type of claim  
16 or type of State payment to be added to the program.

17        (b) Determination.--If the office determines that a type of  
18 claim or type of State payment is technically capable of being  
19 added to the program, the office shall notify the executive  
20 agency which is responsible by law for the collection of the  
21 type of claim or for making the type of payment.

22    § 6252. Executive agencies.

23        (a) Commonwealth income tax obligations.--The Department of  
24 Revenue shall, by Wednesday of each week, determine if each  
25 unpaid or uncollected Commonwealth income tax obligation is a  
26 final Commonwealth income tax obligation as of the previous  
27 Friday. If the Department of Revenue determines that the  
28 Commonwealth income tax obligation is a final Commonwealth  
29 income tax obligation, the Department of Revenue shall notify  
30 the office of the final Commonwealth income tax obligation

within 48 hours of its determination. The notice shall be in form and manner as required by the office.

(b) Claims.--Upon being notified by the office under section 6251 (relating to office of the budget), each executive agency which is responsible by law for the collection of a claim shall, by the Wednesday of each week, determine if each unpaid or uncollected claim is a final claim as of the previous Friday. If the executive agency determines that the claim is a final claim, the executive agency shall notify the office of the final claim within 48 hours of its determination. The notice shall be in form and manner as required by the office.

§ 6253. Certification and placement.

(a) Final Commonwealth income tax obligations.--Upon receipt of a notice under section 6252(a) (relating to executive agencies), the office shall certify the final Commonwealth income tax obligation as a certified final income tax obligation owed to the Commonwealth and request the authority to attempt to obtain offset of the certified Commonwealth income tax obligation under the program. The request and the information relating to the certified Commonwealth income tax obligation shall be in the form and manner required by the authority.

(b) Final claims.--Upon receipt of a notice under section 6252(b), the office shall certify the final claim as a certified debt owed to the Commonwealth and request the authority to attempt to obtain offset of the certified debt under the program. The request and the information relating to the certified debt shall be in the form and manner required by the authority.

§ 6254. Duration of placement.

The office shall request the authority to attempt to obtain

1 offset of the certified Commonwealth income tax obligation or  
2 certified debt until one of the following occurs:

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

5 (2) Upon good cause shown, the secretary requests the  
6 certified Commonwealth income tax obligation or certified  
7 debt be removed from the program.

8 § 6255. Collection of information.

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

#### 16 SUBCHAPTER F

#### 17 NONEXECUTIVE GOVERNMENTAL AGENCIES

18 Sec.

19 6271. Certain government agencies.

20 6272. Certification and placement.

21 6273. Duration of placement.

22 6274. Tax claim bureaus.

23 § 6271. Certain government agencies.

24 The governing body of a government agency which is not an  
25 executive agency may enter into an agreement with the authority  
26 to submit certified debts owed to the government agency to the  
27 authority for offset against Federal payments to be made by a  
28 Federal agency in accordance with an agreement entered into  
29 under section 6232(b) (relating to government agencies  
30 agreements) or against State payments to be made by an executive



1 agency under the program.

2 § 6272. Certification and placement.

3 (a) General rule.--Upon entering into an agreement with the  
4 authority in accordance with section 6271 (relating to certain  
5 government agencies), if the governing body elects for property  
6 tax claims reported to a bureau after January 1, 2016, to be  
7 included in the program, the governing body shall certify each  
8 final claim which it elects to be included in the program as a  
9 debt owed to the government agency. Upon certification, the  
10 government agency shall request the authority to attempt to  
11 obtain offset of the certified debt under the program.

12 Certification and notification under this subsection must occur  
13 at least 30 days prior to the date of sale under section 601(a)  
14 of the act for each property tax claim. The request and the  
15 information relating to the certified debt shall be in the form  
16 and manner required by the authority.

17 (b) Property tax debts.--Upon entering into an agreement  
18 with the authority in accordance with section 6271, the  
19 governing body shall certify each final claim which is a  
20 property tax debt which it elects to be included in the program  
21 as a debt owed to the government agency. Upon certification, the  
22 government agency shall notify the appropriate bureau and shall  
23 request the authority to attempt to obtain offset of the  
24 certified debt under the program. The request and the  
25 information relating to the certified debt shall be in the form  
26 and manner required by the authority.

27 (c) Existing property tax claims.--Upon entering into an  
28 agreement with the authority in accordance with section 6271, if  
29 a governing body elects for property tax claims which have been  
30 reported to a bureau under section 306 of the act prior to April

1 30, 2015, to be included in the program, the governing body  
2 shall certify the property tax debt as a debt owed to the  
3 government agency. Upon certification, the governing body shall  
4 request the authority to attempt to obtain offset of the  
5 certified debt under the program. Certification and notification  
6 under this subsection must occur at least 30 days prior to the  
7 date of sale under section 601(a) of the act for each property  
8 tax claim. The request and information relating to the certified  
9 debt shall be in the form and manner required by the authority.  
10 § 6273. Duration of placement.

11 A government agency may request the authority to attempt to  
12 obtain offset of the certified debt until one of the following  
13 occurs:

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

15 (2) The government agency requests the certified debt be  
16 removed from the program.

17 § 6274. Tax claim bureaus.

18 (a) Stay.--If a bureau receives notice under section 6272(b)  
19 or (c) (relating to certification and placement), the effect of  
20 the notice shall operate as a stay of any action of the bureau  
21 under the act for the certified claim.

22 (b) Termination.--If a bureau receives notice under section  
23 6236(b), the effect of the notice shall operate as a termination  
24 of the stay and the bureau shall resume procedures under the act  
25 regarding the certified debt.

26 Section 2. This act shall take effect immediately.