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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 108 Session of  
2021

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INTRODUCED BY OWLETT, GAYDOS, SANKEY, THOMAS, IRVIN, GROVE,  
RYAN, KAUFFMAN, SAYLOR, BERNSTINE, GLEIM, WEBSTER AND  
WHEELAND, JANUARY 11, 2021

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REFERRED TO COMMITTEE ON STATE GOVERNMENT, JANUARY 11, 2021

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AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania  
2 Consolidated Statutes, providing for payments by the  
3 Commonwealth; and establishing Do-Not-Pay Initiative.

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

6 Section 1. Title 71 of the Pennsylvania Consolidated  
7 Statutes is amended by adding a part to read:

8 PART IV

9 PAYMENTS BY THE COMMONWEALTH

10 Chapter

11 35. Do-Not-Pay Initiative

12 CHAPTER 35

13 DO-NOT-PAY INITIATIVE

14 Sec.

15 3501. Definitions.

16 3502. Establishment.

17 3503. Award and payment.

18 § 3501. Definitions.

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

4 "Commonwealth agency." A department, agency or commission of  
5 the Commonwealth under the policy supervision and control of the  
6 Governor.

7 "Contractor." A person, including, but not limited to, a  
8 bidder, offeror, loan recipient grantee or lessor, who has  
9 furnished or performed or seeks to furnish or perform goods,  
10 supplies, services, leased space, construction or other activity  
11 with an executive agency.

12 "Department." The Treasury Department of the Commonwealth.

13 "Entity." A corporation, joint-stock association, business  
14 trust, limited liability company, sole proprietorship, nonprofit  
15 corporation or Subchapter S corporation.

16 "Improper payment." A payment made by a Commonwealth agency  
17 that:

18 (1) exceeds the amount a recipient should have received  
19 from a Commonwealth agency;

20 (2) is less than the amount a recipient should have  
21 received from the Commonwealth;

22 (3) makes a payment to a recipient that was ineligible  
23 to receive money from the particular program from the  
24 Commonwealth;

25 (4) was ineligible;

26 (5) was duplicative or redundant;

27 (6) was for a service which was never received; or

28 (7) was for a service that does not account for or was  
29 not given any of the available credits or the discounts  
30 available for the service rendered.

1 "Initiative." The Do-Not-Pay Initiative established under  
2 section 3502 (relating to establishment).

3 "Office." The Governor's Budget Office.

4 "Payment." Money expended by the Commonwealth as part of the  
5 operating budget for the Commonwealth.

6 "Recipient." An individual, contractor or entity.

7 "Secretary." The Secretary of the Budget of the  
8 Commonwealth.

9 § 3502. Establishment.

10 (a) Initiative establishment.--The Do-Not-Pay Initiative is  
11 established in the department for the purpose of monitoring  
12 improper payments across Commonwealth agencies. As part of the  
13 initiative, the department shall enter into a memorandum of  
14 understanding with the United States Treasury Department to join  
15 the United States Treasury Department's Do Not Pay program.

16 (b) Operation and assistance.--The office shall assist the  
17 department in the operation of the initiative and ensure the  
18 department has the necessary information from each Commonwealth  
19 agency.

20 (c) Database.--The initiative shall provide a searchable  
21 database of recipients that are not eligible to receive payment  
22 from the Commonwealth under section 3503 (relating to award and  
23 payment).

24 (d) Agency use of database.--An agency shall, with the  
25 assistance of the office, utilize the database under subsection  
26 (c) in order to determine eligibility for the awarding and  
27 disbursement of payments.

28 (e) Information sharing.--A Commonwealth agency shall  
29 provide the department with all information necessary for the  
30 operation and maintenance of the initiative.

1 (f) Prohibition.--A Commonwealth agency may not award or  
2 issue payment to a recipient that is listed on the initiative's  
3 database unless the payment is determined by the secretary of  
4 the agency as being necessary and:

5 (1) The award or payment is for services which cannot be  
6 provided or provided in a timely manner by another entity or  
7 recipient.

8 (2) The award or payment is required as a condition of  
9 receiving Federal money for programs jointly funded with  
10 Federal and Commonwealth money.

11 § 3503. Award and payment.

12 (a) Procedural review.--A Commonwealth agency shall review  
13 procedures regarding the awarding and payment of money prior to  
14 the awarding or releasing of any payment to verify and determine  
15 eligibility of a recipient for payment or award.

16 (b) Database review.--In order to verify eligibility under  
17 this section for an award or payment, a Commonwealth agency must  
18 utilize the following databases:

19 (1) Death certificates maintained by the Division of  
20 Vital Records of the Department of Health.

21 (2) The Death Master File of the Social Security  
22 Administration.

23 (3) The Debarment and Suspension List of the Department  
24 of General Services.

25 (4) The Credit Alert System or Credit Alert Interactive  
26 Voice Response System under the United States Department of  
27 Housing and Urban Development.

28 (5) The list of excluded individuals and entities under  
29 the Department of Human Services Medichex List.

30 (6) The list of individuals or entities under the

1 Department of Revenue who are delinquent in payments owed to  
2 the Commonwealth.

3 (7) The central registry under 23 Pa.C.S. § 4376  
4 (relating to central registry).

5 (8) Databases used by the Federal Government for the  
6 initiative administered by the United States Department of  
7 the Treasury.

8 Section 2. This act shall take effect in 365 days.