

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 550 Session of 2017

INTRODUCED BY FOLMER, EICHELBERGER, SCARNATI, VULAKOVICH,  
RAFFERTY, VOGEL, DINNIMAN, STEFANO AND AUMENT, APRIL 5, 2017

REFERRED TO FINANCE, APRIL 5, 2017

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  
27 imposing taxes for State purposes, or to pay license fees or  
28 other moneys to the Commonwealth, or any agency thereof,  
29 every State depository and every debtor or creditor of the  
30 Commonwealth," in Department of the Auditor General, further  
31 providing for audits of agencies receiving State aid.

32 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. Section 403 of the act of April 9, 1929 (P.L.343,  
3 No.176), known as The Fiscal Code, is amended to read:

4 Section 403. Audits of Agencies Receiving State Aid.--(a)  
5 The Department of the Auditor General shall have the power, and  
6 its duty shall be, to audit the accounts and records of every  
7 person, association, corporation, and public agency, receiving  
8 an appropriation of money, payable out of any fund in the State  
9 Treasury, or entitled to receive any portion of any State tax  
10 for any purpose whatsoever, as far as may be necessary to  
11 satisfy the department that the money received was expended or  
12 is being expended for no purpose other than that for which it  
13 was paid. Copies of all such audits shall be furnished to the  
14 Governor.

15 (b) If at any time the department shall find that any money  
16 received by any person, association, corporation, or public  
17 agency, has been expended for any purpose other than that for  
18 which it was paid, it shall forthwith notify the Governor, and  
19 shall decline to approve any further requisition for the payment  
20 of any appropriation, or any further portion of any State tax,  
21 to such person, association, corporation or public agency, until  
22 an amount equal to that improperly expended shall have been  
23 expended for the purpose for which the money improperly expended  
24 was received from the State Treasury.

25 (c) Any person, association, corporation or public agency  
26 being audited under this section shall respond to the Auditor  
27 General within 120 days of the furnished audit with an audit  
28 recommendation implementation plan. Failure to respond to a  
29 furnished audit within 120 days will result in a suspension of  
30 any appropriation to the person, association, corporation or

1 public agency.

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