

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

BILL NO. Senate Bill 613

PRINTER NO. 679

AMOUNT

\$450,000

FUND

General Fund

DATE INTRODUCED

May 1, 2019

PRIME SPONSOR

Senator Mensch

DESCRIPTION

Senate Bill 613 amends the Administrative Code to align the Commonwealth with Internal Revenue Service Publication 1075 regarding criminal background checks for contractors and employees who handle federal tax information by adding a new Section 226 (Criminal History Background Checks of Employees and Contractors with Access to Federal Tax Information) and repealing Section 225 (Employees with Access to Federal Tax Information).

The legislation requires all agencies with employees or contractors that have access to federal tax information to comply with enhanced security procedures, including a criminal history background check, conducted by the Pennsylvania State Police.

The legislation specifies that information relating to a current or prospective employee or contractor of an agency can only be used to determine the individual's character, fitness and suitability to access federal tax information. It also provides that if an agency determines an individual is not suitable to access federal tax information, it must: (1) decline to hire or utilize the services of the individual; (2) transfer the individual to a position that does not require access to federal tax information; or, (3) terminate the individual's employment.

The legislation specifies that an agency may obtain information which is otherwise protected under Title 18, Chapter 91 (Criminal History Record Information), subject to any required redactions. It also provides that information retained by an agency must be marked confidential and excluded from any requirement of public disclosure.

The legislation provides that individuals approved to access federal tax information will be required to resubmit to a criminal history background check every 10 years. It specifies that an agency that has received federal tax information and transfers the information to another entity may audit that entity to determine compliance with this section, except in situations that involve a legal proceeding by a state or federal court or the Board of Finance and Revenue.

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FISCAL NOTE

The legislation provides that when a criminal history background check is requested, the Pennsylvania State Police must provide the agency with a report of the individual's criminal history record or a statement that the central repository contains no information relating to the individual. It requires the criminal history record information to be limited to what is outlined in Chapter 91. It also requires the Pennsylvania State Police to submit the individual's fingerprints to the Federal Bureau of Investigation for a national criminal history records check, and provide the agency with the national criminal history record information of the individual.

The legislation is schedule to take effect immediately.

FISCAL IMPACT:

The enactment of Senate Bill 613 will require all current Commonwealth employees whose responsibilities require access to federal tax information to complete a background check as required under the legislation.

The Office of Administration has indicated that approximately 9,000 current employees, mostly in the Department of Revenue and the Department of Human Services, that require access to federal tax information will need to complete a background check that includes fingerprinting. In addition, the Office of Administration has estimated the cost to perform the required background check at \$50 per employee, which will result in a cost of \$450,000 for the initial round of required background checks.

Costs would likely be borne by the employing agency and recur as employees are required to have a subsequent check every 10 years.

To the extent that county and municipal governments employ individuals that are responsible to access federal tax information, the responsible employees will be required to comply with the background check provisions in the legislation, and the county and municipal governments will incur costs per employee of \$50 similar to the Commonwealth.