
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1170 Session of
2022

INTRODUCED BY BROWNE, MENSCH, LAUGHLIN AND STEFANO,
APRIL 4, 2022

REFERRED TO FINANCE, APRIL 4, 2022

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 Delinquent Debt Intercept Program and Delinquent Debt
5 Intercept Fund.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

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

10 CHAPTER 62

11 DELINQUENT DEBT INTERCEPT AUTHORITY

12 Subchapter

13 A. General Provisions

14 B. Structure and Powers

15 C. Accounts

16 D. Delinquent Debt Intercept Program

17 E. Executive Agencies

18 F. Nonexecutive Governmental Agencies

19 SUBCHAPTER A

1 GENERAL PROVISIONS

2 Sec.

3 6201. Scope of chapter.

4 6202. Definitions.

5 6203. Construction.

6 § 6201. Scope of chapter.

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

9 § 6202. Definitions.

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

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

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

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

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

20 "Certified Commonwealth income tax obligation." A final
21 Commonwealth income tax obligation which has been certified by
22 the office.

23 "Certified debt." Either of the following:

24 (1) A final claim which has been certified by the
25 office.

26 (2) A final claim which has been certified by the
27 governing body of a government agency which is not an
28 executive agency.

29 "Claims." An amount owed to a Federal agency or government
30 agency. The term includes taxes, fines, fees, property tax

1 claims, property tax debts, interest and civil penalties. The
2 term does not include any of the following:

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

4 (2) A Federal tax liability.

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

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

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

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

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

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

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

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

29 (1) A Federal tax refund payment.

30 (2) A Federal payment for salary, wage, pension or other

1 compensation to or on behalf of an employee of a Federal
2 agency.

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

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

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

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

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

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

21 "Fund." The Delinquent Debt Intercept Fund established in
22 section 6221 (relating to fund and accounts).

23 "Governing body."

24 (1) The court, body or board authorized by law to adopt
25 binding resolutions or enact ordinances for a government
26 agency. The term includes an employee or officer of a court,
27 body or board who has by a binding resolution or ordinance
28 been given explicit authority to act for the court, body or
29 board in a particular matter or type of matter.

30 (2) For municipalities which are governed by separate

1 legislative and executive branches, the executive employee or
2 officer who is responsible for revenue collection.

3 "Government agency." Any of the following:

4 (1) A Commonwealth agency.

5 (2) The unified judicial system and the unified judicial
6 system's courts, officers and agencies.

7 (3) The General Assembly and the General Assembly's
8 officers and agencies.

9 (4) A political subdivision.

10 (5) A municipal authority.

11 (6) A local, regional or metropolitan transportation
12 authority.

13 "Independent agency." A board, commission or other agency or
14 officer of the Commonwealth which is not subject to the policy,
15 supervision and control of the Governor. The term does not
16 include the following:

17 (1) A court or other officer or agency of the unified
18 judicial system.

19 (2) The General Assembly and the General Assembly's
20 officers and agencies.

21 (3) An executive agency.

22 (4) A State-affiliated entity.

23 (5) A State-related institution.

24 (6) A political subdivision.

25 (7) A municipal authority.

26 (8) A local, regional or metropolitan transportation
27 authority.

28 "Local, regional or metropolitan transportation authority."

29 An entity meeting the definition of "authority" under 74 Pa.C.S.
30 § 1701 (relating to definitions).

1 "Municipal authority." A public authority created under 53
2 Pa.C.S. Ch. 56 (relating to municipal authorities) or under the
3 former act of May 2, 1945 (P.L.382, No.164), known as the
4 Municipality Authorities Act of 1945.

5 "Office." The Office of the Budget.

6 "Payee." A debtor owed a payment from a Federal agency or an
7 executive agency.

8 "Program." The Delinquent Debt Intercept Program established
9 under Subchapter D (relating to Delinquent Debt Intercept
10 Program).

11 "Property tax claim." A claim as defined under section 102
12 of the act.

13 "Property tax debt." A liability of a person in whose name a
14 real property is last registered with a government agency
15 located in a county of the first or second class for a tax
16 levied, with added interest and penalties, by the government
17 agency upon the real property.

18 "Secretary." The Secretary of the Budget.

19 "State-affiliated entity." A Commonwealth authority or a
20 Commonwealth entity.

21 (1) The term includes:

22 (i) The Pennsylvania Turnpike Commission.

23 (ii) The Pennsylvania Housing Finance Agency.

24 (iii) The Commonwealth Financing Authority.

25 (iv) The Pennsylvania Municipal Retirement Board.

26 (v) The Pennsylvania Infrastructure Investment
27 Authority.

28 (vi) The State Public School Building Authority.

29 (vii) The Pennsylvania Higher Educational Facilities
30 Authority.

1 (viii) The State System of Higher Education.

2 (2) The term does not include:

3 (i) A court or other officer or agency of the
4 unified judicial system.

5 (ii) The General Assembly and the General Assembly's
6 officers and agencies.

7 (iii) An executive agency.

8 (iv) A State-related institution.

9 (v) A political subdivision.

10 (vi) A municipal authority.

11 (vii) A local, regional or metropolitan
12 transportation authority.

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

15 (1) Payments for salary, wage, pension or other
16 compensation to or on behalf of an employee of an executive
17 agency.

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

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

24 (4) Payments to be made to an individual under the act
25 of June 13, 1967 (P.L.31, No.21), known as the Human Services
26 Code.

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

30 "State-related institution." The Pennsylvania State

1 University, the University of Pittsburgh, Lincoln University or
2 Temple University.

3 "Treasury Offset Program." The program authorized under 31
4 U.S.C. § 3716 (relating to administrative offset).
5 § 6203. Construction.

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

8 SUBCHAPTER B

9 STRUCTURE AND POWERS

10 Sec.

11 6211. Authority.

12 6212. Board.

13 6213. Powers.

14 § 6211. Authority.

15 (a) Establishment.--The Delinquent Debt Intercept Authority
16 is established as an independent authority. The authority shall
17 be an instrumentality of the Commonwealth and a body corporate
18 and politic, with corporate succession.

19 (b) Governance.--The authority shall be governed by the
20 board. The powers of the authority shall be exercised by the
21 board.

22 (c) Expenses.--

23 (1) Expenses of the authority shall be paid from income
24 of the authority. Except as provided in this chapter or by
25 other law, the Commonwealth may not be responsible for
26 funding the expenses of the authority.

27 (2) The authority may borrow from the Commonwealth an
28 amount not to exceed \$1,000,000 for the purpose of operation
29 of the authority. Any amount borrowed under this paragraph
30 must be repaid to the Commonwealth by June 30, 2022.

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

3 (e) Audit.--

4 (1) The accounts and books of the authority shall be
5 examined and audited annually by an independent certified
6 public accounting firm.

7 (2) The authority shall, by December 31 of each year,
8 file a copy of the audit required by paragraph (1) with the
9 Secretary of the Senate and the Chief Clerk of the House of
10 Representatives.

11 (f) Publication.--The authority shall annually transmit
12 notice of a concise financial statement to the Legislative
13 Reference Bureau for publication in the Pennsylvania Bulletin.

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

17 (h) Existence and dissolution.--

18 (1) The authority shall exist until dissolved by law.

19 (2) The authority shall be dissolved by law if all
20 outstanding liabilities of the authority have been fully paid
21 or provision has been made for payment of all outstanding
22 liabilities of the authority. Upon the dissolution of the
23 authority, all funds, assets and other property of the
24 authority shall vest in the Commonwealth.

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

28 (j) Relationship with office.--

29 (1) The office shall provide administrative services and
30 staff to the authority and the board. The authority shall

1 reimburse the office for the cost of providing the
2 administrative services and staff.

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

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

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

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

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

17 § 6212. Board.

18 (a) Composition.--The authority shall be governed by a board
19 composed of the following members:

20 (1) The State Treasurer or a designee.

21 (2) The Attorney General or a designee.

22 (3) The secretary or a designee.

23 (4) The Secretary of Revenue or a designee.

24 (5) One individual appointed by the Governor.

25 (6) Four legislative appointees:

26 (i) Appointments are as follows:

27 (A) One individual who is a member of the
28 government of a county and who shall be appointed by
29 the President pro tempore of the Senate.

30 (B) One individual who is a member of the

1 government of a township of the first or second class
2 appointed by the Minority Leader of the Senate.

3 (C) One individual who is a member of the
4 government of a city of the first, second or third
5 class appointed by the Speaker of the House of
6 Representatives.

7 (D) One individual who is a member of a school
8 board appointed by the Minority Leader of the House
9 of Representatives.

10 (ii) Legislative appointees shall serve at the
11 pleasure of the appointing authority.

12 (iii) An individual appointed to the board pursuant
13 to subparagraph (i) may not be a member of the General
14 Assembly or staff of a member of the General Assembly.

15 (b) Organization.--The Governor shall select a member of the
16 board to serve as chairperson. The members shall select the
17 other officers from among the members.

18 (c) Meetings.--The board shall meet at the call of the
19 chairperson.

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

22 (1) The consent of at least five members of the board,
23 with at least four of the consenting members being appointed
24 under subsection (a)(6), shall be necessary to take action on
25 behalf of the authority for any of the following:

26 (i) Adopting bylaws.

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

29 (2) The consent of at least five members of the board
30 shall be necessary to take any other action on behalf of the

1 authority.

2 (e) Compensation.--The members of the board may not receive
3 compensation for services as members of the board but shall be
4 entitled to reimbursement for all necessary and reasonable
5 expenses incurred in connection with the performance of the
6 members' duties as a member of the board.

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

9 (g) Initial appointment and vacancy.--Appointing authorities
10 shall appoint initial members to the board within 30 days of the
11 effective date of this section. Whenever a vacancy occurs on the
12 board, the appointing authority shall appoint a successor member
13 within 30 days of the vacancy.

14 § 6213. Powers.

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

16 (1) Adopt bylaws and guidelines proposed by the office
17 as necessary.

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

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

22 (4) Establish accounts necessary or desirable for the
23 authority's corporate purposes.

24 (5) Employ an executive director.

25 (6) Retain attorneys, accountants, auditors and
26 consultants to render services and engage the services of
27 other advisors, consultants and agents as necessary. For the
28 purposes of this paragraph, the authority shall be considered
29 an independent agency for purposes of the act of October 15,
30 1980 (P.L.950, No.164), known as the Commonwealth Attorneys

1 Act.

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

3 (8) Contract and execute instruments.

4 (9) Impose and collect surcharges in connection with the
5 offsetting of debts on behalf of Federal agencies and of
6 certified debts on behalf of government agencies.

7 (10) Agree to and comply with conditions attached to
8 Federal or Commonwealth funds not inconsistent with this
9 chapter.

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

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

15 (13) Procure insurance against any loss in connection
16 with the authority's property and other assets.

17 (14) Promulgate and adopt, after consultation with
18 counties and bureaus, regulations, guidelines and statements
19 of policy as the authority deems necessary and appropriate to
20 effectuate the public purposes of this chapter.

21 (15) Do any other appropriate act necessary or
22 convenient to:

23 (i) carry out and effectuate the purposes of this
24 chapter; or

25 (ii) exercise the powers provided in this
26 subsection, including any act reasonably implied from
27 those powers.

28 (b) Duties.--The authority shall do all of the following:

29 (1) Assume the rights, obligations, duties and
30 responsibilities of the Commonwealth under an agreement

1 between the Commonwealth and a Federal agency relating to the
2 participation of the Commonwealth in the Treasury Offset
3 Program.

4 (2) Contract for services related to the implementation
5 and operation of the program.

6 (3) Assist, with the cooperation of counties and
7 bureaus, to ensure accurate and timely notices of payments
8 and offsets of certified debts.

9 (4) Administer the program established in Subchapter D
10 (relating to Delinquent Debt Intercept Program) in accordance
11 with this chapter and the requirements of the Treasury Offset
12 Program.

13 SUBCHAPTER C

14 ACCOUNTS

15 Sec.

16 6221. Fund and accounts.

17 6222. Governmental agency payments.

18 6223. Administrative accounts.

19 § 6221. Fund and accounts.

20 The Delinquent Debt Intercept Fund is established as a
21 special fund within the State Treasury. Within the fund, the
22 authority shall establish one or more accounts for each
23 government agency that elects to submit certified debts to the
24 authority for offset against payments to be made by a Federal
25 agency or against State payments to be made by an executive
26 agency. Offsets for certified debts received by the authority
27 under the program shall be deposited into the account of the
28 government agency that certified the final claim upon which the
29 offset was made.

30 § 6222. Governmental agency payments.

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

5 § 6223. Administrative accounts.

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

10 SUBCHAPTER D

11 DELINQUENT DEBT INTERCEPT PROGRAM

12 Sec.

13 6231. Program establishment and Federal agreements.

14 6232. Government agencies agreements.

15 6233. Placement.

16 6234. Duration.

17 6235. Notification of offset.

18 6236. Removal.

19 6237. Surcharge.

20 6238. Application of offsets.

21 6239. Applicability of existing statutes.

22 6240. Immunity.

23 § 6231. Program establishment and Federal agreements.

24 (a) Program establishment.--The Delinquent Debt Intercept
25 Program is established under this subsection.

26 (b) Federal and Commonwealth offsets.--The authority, in
27 cooperation with the office, is authorized to enter into an
28 agreement with a Federal agency to participate in the Treasury
29 Offset Program for the offset of Commonwealth income tax
30 obligations and Federal tax payments. The agreement shall

1 provide for the authority to submit the sum of a certified
2 Commonwealth income tax obligation and the surcharge imposed by
3 the authority for offset against Federal tax payments. The
4 agreement shall provide for any debtor notification and remedy
5 or other requirements necessary for participation in the
6 Treasury Offset Program and shall require the Federal agency or
7 Commonwealth to provide the authority with all of the following:

8 (1) The name of the debtor.

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

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

12 (4) The sum of the certified Commonwealth income tax
13 obligation and the surcharge.

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

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

18 (7) Written certification by the Commonwealth of the
19 certified Commonwealth income tax obligation.

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

22 (c) Federal and government agency offsets.--The authority,
23 in cooperation with the office, shall enter into an agreement
24 with a Federal agency to participate in the Treasury Offset
25 Program for the offset of any nontax debts owed to a Federal
26 agency and of any certified debts owed to a government agency.
27 The agreement shall provide for the Federal agency to submit the
28 sum of a nontax debt owed to a Federal agency and the surcharge
29 imposed by the authority for offset against State payments to be
30 made by an executive agency and provide for the authority to

1 submit the sum of a certified debt owed to a government agency
2 and the surcharge imposed by the authority for offset against
3 Federal payments to be made by a Federal agency. The agreement
4 shall provide for any debtor notification and remedy or other
5 requirements necessary for participation in the Treasury Offset
6 Program and shall require the Federal agency or government
7 agency to provide the authority with all of the following:

8 (1) The name of the debtor.

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

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

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

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

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

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

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

23 § 6232. Government agencies agreements.

24 The authority shall enter into an agreement with the office
25 on behalf of an executive agency and may, in cooperation with
26 the office, enter into an agreement with a government agency,
27 which is not an executive agency, for the offset of certified
28 debts owed to the government agency. The agreement shall provide
29 for the government agency to submit the sum of a certified debt
30 owed to the government agency and the surcharge imposed by the

1 authority for offset against Federal payments to be made by a
2 Federal agency in accordance with an agreement entered into
3 under section 6231(c) (relating to program establishment and
4 Federal agreements) and against State payments to be made by an
5 executive agency. The agreement shall provide for any debtor
6 notification and remedy or other requirements necessary for
7 participation in the program and in the Treasury Offset Program
8 and shall require the government agency to provide the authority
9 with all of the following:

- 10 (1) The name of the debtor.
- 11 (2) The last known address of the debtor.
- 12 (3) The Social Security number or other tax
13 identification number of the debtor.
- 14 (4) The sum of the certified debt and the surcharge.
- 15 (5) The date on which the certified debt became
16 delinquent.
- 17 (6) The name, address and telephone number of the
18 government agency owed the certified debt.
- 19 (7) Written annual certification by the government
20 official or by the governing body, which certifies the
21 certified debt.
- 22 (8) Any other information deemed necessary by the
23 authority or the Federal agency or which is required for
24 participation in the Treasury Offset Program.

25 § 6233. Placement.

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

- 29 (1) the sum of:
 - 30 (i) the certified Commonwealth income tax

1 obligation; and

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

3 (2) any Federal tax payments to be made by a Federal
4 agency.

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

8 (1) the sum of:

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

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

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

14 (c) Effect of placement.--

15 (1) A certified debt shall not accrue additional
16 interest or penalties during the period the authority
17 attempts to obtain offset of the certified debt. If a
18 certified debt is removed from the program in accordance with
19 section 6236 (relating to removal), additional interest and
20 penalties shall accrue as provided by law from the date the
21 certified debt is removed from the program.

22 (2) If a certified debt is removed from the program in
23 accordance with section 6236, additional interest and
24 penalties shall accrue as provided by law from the date the
25 authority receives notice from the governmental agency of the
26 authority's intent to remove the certified debt from the
27 program.

28 § 6234. Duration.

29 (a) Federal debts.--Unless otherwise stated in the agreement
30 required by section 6231(c) (relating to program establishment

1 and Federal agreements), the authority shall continue to attempt
2 to offset a nontax debt owed to a Federal agency against a State
3 payment to be made by an executive agency until one of the
4 following occurs:

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

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

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

12 (1) The certified Commonwealth income tax obligation is
13 paid in full.

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

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

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

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

24 § 6235. Notification of offset.

25 Upon an offset being made, the authority shall notify the
26 payee of all of the following:

27 (1) The date the offset occurred.

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

29 (3) The identity of the Federal agency or government
30 agency which requested the offset.

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

4 (5) Any other information required for participation in
5 the Treasury Offset Program.

6 § 6236. Removal.

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

12 (b) Government debts.--

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

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

20 § 6237. Surcharge.

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

27 § 6238. Application of offsets.

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

30 (1) The surcharge imposed by the authority for an

1 offset.

2 (2) The certified Commonwealth tax obligation.

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

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

7 § 6239. Applicability of existing statutes.

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

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

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

25 § 6240. Immunity.

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

30 SUBCHAPTER E

EXECUTIVE AGENCIES

Sec.

6251. Office of the Budget.

6252. Executive agencies.

6253. Certification and placement.

6254. Duration of placement.

6255. Collection of information.

§ 6251. Office of the Budget.

(a) Review.--If the office entered into an agreement relating to participation of the Commonwealth in the Treasury Offset Program under section 6231 (relating to program establishment and Federal agreements), the office shall review each type of claim imposed, charged or collected by an executive agency and each type of State payment made by an executive agency to determine the appropriate time for the type of claim or type of State payment to be added to the program.

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

§ 6252. Executive agencies.

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

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

3 (b) Claims.--Upon being notified by the office under section
4 6251 (relating to Office of the Budget), each executive agency
5 which is responsible by law for the collection of a claim shall,
6 by Wednesday of each week, determine if each unpaid or
7 uncollected claim is a final claim as of the previous Friday. If
8 the executive agency determines that the claim is a final claim,
9 the executive agency shall notify the office of the final claim
10 within 48 hours of the executive agency's determination. The
11 notice shall be in the form and manner as required by the
12 office.

13 § 6253. Certification and placement.

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

23 (b) Final claims.--Upon receipt of a notice under section
24 6252(b), the office shall certify the final claim as a certified
25 debt owed to the Commonwealth and request the authority to
26 attempt to obtain offset of the certified debt under the
27 program. The request and the information relating to the
28 certified debt shall be in the form and manner required by the
29 authority.

30 § 6254. Duration of placement.

1 The office shall request the authority to attempt to obtain
2 offset of the certified Commonwealth income tax obligation or
3 certified debt until one of the following occurs:

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

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

9 § 6255. Collection of information.

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

18 SUBCHAPTER F

19 NONEXECUTIVE GOVERNMENTAL AGENCIES

20 Sec.

21 6271. Certain government agencies.

22 6272. Certification and placement.

23 6273. Duration of placement.

24 6274. Tax claim bureaus.

25 § 6271. Certain government agencies.

26 The governing body of a government agency which is not an
27 executive agency may enter into an agreement with the authority
28 to submit certified debts owed to the government agency to the
29 authority for offset against Federal payments to be made by a
30 Federal agency in accordance with an agreement entered into

1 under section 6232(b) (relating to government agencies
2 agreements) or against State payments to be made by an executive
3 agency under the program.

4 § 6272. Certification and placement.

5 (a) General rule.--Upon entering into an agreement with the
6 authority in accordance with section 6271 (relating to certain
7 government agencies), if the governing body elects for property
8 tax claims reported to a bureau after January 1, 2022, to be
9 included in the program, the governing body shall certify each
10 final claim which the governing body elects to be included in
11 the program as a debt owed to the government agency. Upon
12 certification, the government agency shall request the authority
13 to obtain offset of the certified debt under the program.

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

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

29 (c) Existing property tax claims.--Upon entering into an
30 agreement with the authority in accordance with section 6271, if

1 a governing body elects for property tax claims which have been
2 reported to a bureau under section 306 of the act prior to April
3 30, 2022, to be included in the program, the governing body
4 shall certify the property tax debt as a debt owed to the
5 government agency. Upon certification, the governing body shall
6 request the authority to attempt to obtain offset of the
7 certified debt under the program. Certification and notification
8 under this subsection must occur at least 30 days prior to the
9 date of sale under section 601(a) of the act for each property
10 tax claim. The request and information relating to the certified
11 debt shall be in the form and manner required by the authority.
12 § 6273. Duration of placement.

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

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

17 (2) The government agency requests the certified debt be
18 removed from the program.

19 § 6274. Tax claim bureaus.

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

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

28 Section 2. This act shall take effect immediately.