

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 453 Session of
2017

INTRODUCED BY RYAN, CUTLER, DUNBAR, DUSH, GABLER, GROVE,
JOZWIAK, MILLARD, SAYLOR, SCHWEYER, WARD, CORR, ZIMMERMAN,
PHILLIPS-HILL, SOLOMON AND STAATS, FEBRUARY 13, 2017

AS REPORTED FROM COMMITTEE ON STATE GOVERNMENT, HOUSE OF
REPRESENTATIVES, AS AMENDED, APRIL 4, 2017

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled, ~~as amended,~~ <--
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.

1 The General Assembly of the Commonwealth of Pennsylvania
2 hereby enacts as follows:

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

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

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

26 ~~Any person, association, corporation or public agency being~~ <--
27 ~~audited under this section shall respond to the audit within 120~~
28 ~~days. Failure to respond to an audit within 120 days will result~~
29 ~~in a suspension of any appropriation to the person, association,~~
30 ~~corporation or public agency.~~

1 IF AN AUDIT COMPLETED BY THE DEPARTMENT UNDER THIS SECTION
 2 MAKES RECOMMENDATIONS, ANY PERSON, ASSOCIATION, CORPORATION, OR
 3 PUBLIC AGENCY BEING AUDITED SHALL SUBMIT A RESPONSE TO THE
 4 DEPARTMENT DETAILING ADOPTION OF SUCH RECOMMENDATIONS, OR THE
 5 REASON WHY RECOMMENDATIONS HAVE NOT BEEN ADOPTED, WITHIN ONE
 6 HUNDRED AND TWENTY BUSINESS DAYS OF THE PUBLICATION OF THE
 7 AUDIT. THE DEPARTMENT SHALL PROVIDE NOTICE TO THE SUBJECT OF AN
 8 AUDIT SIXTY BUSINESS DAYS AFTER THE DATE OF THE AUDIT'S
 9 PUBLICATION THAT FUTURE APPROPRIATIONS COULD BE DENIED FOR THE
 10 PERSON, ASSOCIATION, CORPORATION, OR PUBLIC AGENCY IF A RESPONSE
 11 IS NOT MADE.

12 UPON RECEIVING A RESPONSE TO AN AUDIT, THE DEPARTMENT SHALL
 13 PROVIDE THE GOVERNOR AND THE CHAIRPERSON AND MINORITY
 14 CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND
 15 THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS
 16 COMMITTEE OF THE HOUSE OF REPRESENTATIVES THE RESPONSE
 17 ACCOMPANIED BY ANY COMMENTS THE DEPARTMENT MAY WISH TO SUBMIT.
 18 THE GOVERNOR AND THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
 19 APPROPRIATIONS COMMITTEE OF THE SENATE AND THE CHAIRPERSON AND
 20 MINORITY CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE
 21 HOUSE OF REPRESENTATIVES MAY CONSIDER THIS RESPONSE WHEN
 22 DETERMINING WHETHER FUTURE APPROPRIATIONS TO THE PERSON,
 23 ASSOCIATION, CORPORATION, OR PUBLIC AGENCY WILL BE CONSIDERED.

24 IF THE PERSON, ASSOCIATION, CORPORATION, OR PUBLIC AGENCY
 25 DOES NOT RESPOND TO THE DEPARTMENT WITHIN ONE HUNDRED AND TWENTY
 26 BUSINESS DAYS FROM THE DATE OF THE PUBLICATION OF THE AUDIT, THE
 27 DEPARTMENT SHALL NOTIFY THE GOVERNOR AND THE CHAIRPERSON AND
 28 MINORITY CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE
 29 SENATE AND THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
 30 APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES. THE

1 GOVERNOR AND THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
2 APPROPRIATIONS COMMITTEE OF THE SENATE AND THE CHAIRPERSON AND
3 MINORITY CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE
4 HOUSE OF REPRESENTATIVES MAY CONSIDER A FAILURE TO RESPOND TO
5 THE AUDIT WHEN DETERMINING WHETHER FUTURE APPROPRIATIONS TO THE
6 PERSON, ASSOCIATION, CORPORATION, OR PUBLIC AGENCY WILL BE
7 CONSIDERED.

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