

106<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1442

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## AN ACT

To reduce waste, fraud, and error in Government programs by making improvements with respect to Federal management and debt collection practices, Federal payment systems, Federal benefit programs, and for other purposes.

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## AN ACT

To reduce waste, fraud, and error in Government programs by making improvements with respect to Federal management and debt collection practices, Federal payment systems, Federal benefit programs, and for other purposes.



## TITLE V—FEDERAL PAYMENTS

Sec. 501. Transfer of responsibility to Secretary of the Treasury with respect to prompt payment.

Sec. 502. Promoting electronic payments.

Sec. 503. Debt services account.

## TITLE VI—FEDERAL PROPERTY

Sec. 601. Amendment to Federal Property and Administrative Services Act of 1949.

1 **SEC. 2. PURPOSES.**

2 The purposes of this Act are the following:

3 (1) To reduce waste, fraud, and error in Fed-  
4 eral benefit programs.

5 (2) To focus Federal agency management at-  
6 tention on high-risk programs.

7 (3) To better collect debts owed to the United  
8 States.

9 (4) To improve Federal payment systems.

10 (5) To improve reporting on Government oper-  
11 ations.

12 **SEC. 3. DEFINITION.**

13 As used in this Act, the term “nontax debt” means  
14 any debt (within the meaning of that term as used in  
15 chapter 37 of title 31, United States Code) other than a  
16 debt under the Internal Revenue Code of 1986 or the Tar-  
17 iff Act of 1930.

1 **SEC. 4. APPLICATION OF ACT.**

2 No provision of this Act shall apply to the Depart-  
3 ment of the Treasury or the Internal Revenue Service to  
4 the extent that such provision—

5 (1) involves the administration of the internal  
6 revenue laws; or

7 (2) conflicts with the Internal Revenue Service  
8 Restructuring and Reform Act of 1998, the Internal  
9 Revenue Code of 1986, or the Tariff Act of 1930.

10 **TITLE I—GENERAL**  
11 **MANAGEMENT IMPROVEMENTS**

12 **SEC. 101. IMPROVING FINANCIAL MANAGEMENT.**

13 Section 3515 of title 31, United States Code, is  
14 amended—

15 (1) in subsection (a)—

16 (A) by striking “1997” and inserting  
17 “2000”; and

18 (B) by inserting “Congress and” after  
19 “submit to”; and

20 (2) by striking subsections (e), (f), (g), and (h).

21 **SEC. 102. IMPROVING TRAVEL MANAGEMENT.**

22 (a) **LIMITED EXCLUSION FROM REQUIREMENT RE-**  
23 **GARDING OCCUPATION OF QUARTERS.**—Section 5911(e)  
24 of title 5, United States Code, is amended by adding at  
25 the end the following new sentence: “The preceding sen-

1 tence shall not apply with respect to lodging provided  
2 under chapter 57 of this title.”.

3 (b) USE OF TRAVEL MANAGEMENT CENTERS,  
4 AGENTS, AND ELECTRONIC PAYMENT SYSTEMS.—

5 (1) REQUIREMENT TO ENCOURAGE USE.—The  
6 head of each executive agency shall, with respect to  
7 travel by employees of the agency in the perform-  
8 ance of the employment duties by the employee, re-  
9 quire, to the extent practicable, the use by such em-  
10 ployees of travel management centers, travel agents  
11 authorized for use by such employees, and electronic  
12 reservation and payment systems for the purpose of  
13 improving efficiency and economy regarding travel  
14 by employees of the agency.

15 (2) PLAN FOR IMPLEMENTATION.—(A) The Ad-  
16 ministrator of General Services shall develop a plan  
17 regarding the implementation of this subsection and  
18 shall, after consultation with the heads of executive  
19 agencies, submit to Congress a report describing  
20 such plan and the means by which such agency  
21 heads plan to ensure that employees use travel man-  
22 agement centers, travel agents, and electronic res-  
23 ervation and payment systems as required by this  
24 subsection.

1 (B) The Administrator shall submit the plan re-  
2 quired under subparagraph (A) not later than March  
3 31, 2000.

4 (c) PAYMENT OF STATE AND LOCAL TAXES ON  
5 TRAVEL EXPENSES.—

6 (1) IN GENERAL.—The Administrator of Gen-  
7 eral Services shall develop a mechanism to ensure  
8 that employees of executive agencies are not inap-  
9 propriately charged State and local taxes on travel  
10 expenses, including transportation, lodging, auto-  
11 mobile rental, and other miscellaneous travel ex-  
12 penses.

13 (2) REPORT.—Not later than March 31, 2000,  
14 the Administrator shall, after consultation with the  
15 heads of executive agencies, submit to Congress a  
16 report describing the steps taken, and proposed to  
17 be taken, to carry out this subsection.

18 **TITLE II—IMPROVING FEDERAL**  
19 **DEBT COLLECTION PRACTICES**

20 **SEC. 201. MISCELLANEOUS CORRECTIONS TO SUBCHAPTER**  
21 **II OF CHAPTER 37 OF TITLE 31, UNITED**  
22 **STATES CODE.**

23 (a) CHILD SUPPORT ENFORCEMENT.—Section  
24 3716(h)(3) of title 31, United States Code, is amended  
25 to read as follows:

1           “(3) In applying this subsection with respect to  
2           any debt owed to a State, other than past due sup-  
3           port being enforced by the State, subsection  
4           (c)(3)(A) shall not apply.”.

5           (b) DEBT SALES.—Section 3711 of title 31, United  
6 States Code, is amended by striking subsection (i).

7           (c) GAINSHARING.—Section 3720C(b)(2)(D) of title  
8 31, United States Code, is amended by striking “delin-  
9 quent loans” and inserting “debts”.

10          (d) PROVISIONS RELATING TO PRIVATE COLLECTION  
11 CONTRACTORS.—

12           (1) COLLECTION BY SECRETARY OF THE  
13 TREASURY.—Section 3711(g) of title 31, United  
14 States Code, is amended by adding at the end the  
15 following:

16          “(11) In attempting to collect under this subsection  
17 through the use of garnishment any debt owed to the  
18 United States, a private collection contractor shall not be  
19 precluded from verifying the debtor’s current employer,  
20 the location of the payroll office of the debtor’s current  
21 employer, the period the debtor has been employed by the  
22 current employer of the debtor, and the compensation re-  
23 ceived by the debtor from the current employer of the  
24 debtor.



1           “(12) In evaluating the performance of a contractor  
2 under any contract entered into under this subsection, the  
3 Secretary of the Treasury shall consider the contractor’s  
4 gross collections net of commissions (as a percentage of  
5 account amounts placed with the contractor) under the  
6 contract. The existence and frequency of valid debtor com-  
7 plaints shall also be considered in the evaluation criteria.

8           “(13) In selecting contractors for performance of col-  
9 lection services, the Secretary of the Treasury shall evalu-  
10 ate bids received through a methodology that considers the  
11 bidder’s prior performance in terms of net amounts col-  
12 lected under Government collection contracts of similar  
13 size, if applicable. The existence and frequency of valid  
14 debtor complaints shall also be considered in the evalua-  
15 tion criteria.”.

16           (2) COLLECTION BY PROGRAM AGENCY.—Sec-  
17 tion 3718 of title 31, United States Code, is amend-  
18 ed by adding at the end the following:

19           “(h) In attempting to collect under this subsection  
20 through the use of garnishment any debt owed to the  
21 United States, a private collection contractor shall not be  
22 precluded from verifying the current place of employment  
23 of the debtor, the location of the payroll office of the debt-  
24 or’s current employer, the period the debtor has been em-  
25 ployed by the current employer of the debtor, and the com-

1 pension received by the debtor from the current em-  
2 ployer of the debtor.

3 “(i) In evaluating the performance of a contractor  
4 under any contract for the performance of debt collection  
5 services entered into by an executive, judicial, or legislative  
6 agency, the head of the agency shall consider the contrac-  
7 tor’s gross collections net of commissions (as a percentage  
8 of account amounts placed with the contractor) under the  
9 contract. The existence and frequency of valid debtor com-  
10 plaints shall also be considered in the evaluation criteria.

11 “(j) In selecting contractors for performance of col-  
12 lection services, the head of an executive, judicial, or legis-  
13 lative agency shall evaluate bids received through a meth-  
14 odology that considers the bidder’s prior performance in  
15 terms of net amounts collected under government collec-  
16 tion contracts of similar size, if applicable. The existence  
17 and frequency of valid debtor complaints shall also be con-  
18 sidered in the evaluation criteria.”

19 (3) CONSTRUCTION.—None of the amendments  
20 made by this subsection shall be construed as alter-  
21 ing or superseding the provisions of title 11, United  
22 States Code, or section 6103 of the Internal Rev-  
23 enue Code of 1986.

24 (e) CLERICAL AMENDMENT.—Section 3720A(h) of  
25 title 31, United States Code, is amended—

1           (1) beginning in paragraph (3), by striking the  
2           close quotation marks and all that follows through  
3           the matter preceding subsection (i); and

4           (2) by adding at the end the following:

5           “For purposes of this subsection, the disbursing official  
6           for the Department of the Treasury is the Secretary of  
7           the Treasury or his or her designee.”.

8           (f) CORRECTION OF REFERENCES TO FEDERAL  
9           AGENCY.—Sections 3716(c)(6) and 3720A(a), (b), (c),  
10          and (e) of title 31, United States Code, are each amended  
11          by striking “Federal agency” each place it appears and  
12          inserting “executive, judicial, or legislative agency”.

13          (g) INAPPLICABILITY OF ACT TO CERTAIN AGEN-  
14          CIES.—Notwithstanding any other provision of law, no  
15          provision in this Act, the Debt Collection Improvement Act  
16          of 1996 (chapter 10 of title III of Public Law 104–134;  
17          31 U.S.C. 3701 note), chapter 37 or subchapter II of  
18          chapter 33 of title 31, United States Code, or any amend-  
19          ments made by such Acts or any regulations issued there-  
20          under, shall apply to activities carried out pursuant to a  
21          law enacted to protect, operate, and administer any de-  
22          posit insurance funds, including the resolution and liq-  
23          uidation of failed or failing insured depository institutions.

24          (h) CONTRACTS FOR COLLECTION SERVICES.—Sec-  
25          tion 3718 of title 31, United States Code, is amended—

1 (1) in the first sentence of subsection (b)(1)(A),  
2 by inserting “, or, if appropriate, any monetary  
3 claim, including any claims for civil fines or pen-  
4 alties, asserted by the Attorney General” before the  
5 period;

6 (2) in the third sentence of subsection  
7 (b)(1)(A)—

8 (A) by inserting “or in connection with  
9 other monetary claims” after “collection of  
10 claims of indebtedness”;

11 (B) by inserting “or claim” after “the in-  
12 debtedness”; and

13 (C) by inserting “or other person” after  
14 “the debtor”; and

15 (3) in subsection (d), by inserting “or any other  
16 monetary claim of” after “indebtedness owed”.

17 **SEC. 202. BARRING DELINQUENT FEDERAL DEBTORS FROM**  
18 **OBTAINING FEDERAL BENEFITS.**

19 (a) IN GENERAL.—Section 3720B of title 31, United  
20 States Code, is amended to read as follows:

21 **“§ 3720B. Barring delinquent Federal debtors from**  
22 **obtaining Federal benefits**

23 “(a)(1) A person shall not be eligible for the award  
24 or renewal of any Federal benefit described in paragraph

25 (2) if the person has an outstanding nontax debt that is

1 in a delinquent status with any executive, judicial, or legis-  
2 lative agency, as determined under standards prescribed  
3 by the Secretary of the Treasury. Such a person may ob-  
4 tain additional Federal benefits described in paragraph (2)  
5 only after such delinquency is resolved in accordance with  
6 those standards.

7 “(2) The Federal benefits referred to in paragraph  
8 (1) are the following:

9 “(A) Financial assistance in the form of a loan  
10 (other than a disaster loan) or loan insurance or  
11 guarantee.

12 “(B) Any Federal permit or Federal license re-  
13 quired by law.

14 “(b) The Secretary of the Treasury may exempt any  
15 class of claims from the application of subsection (a) at  
16 the request of an executive, judicial, or legislative agency.

17 “(c)(1) The head of any executive, judicial, or legisla-  
18 tive agency may waive the application of subsection (a)  
19 to any Federal benefit that is administered by the agency  
20 based on standards promulgated by the Secretary of the  
21 Treasury.

22 “(2) The head of an executive, judicial, or legislative  
23 agency may delegate the waiver authority under para-  
24 graph (1) to the chief financial officer or, in the case of

1 any Federal performance-based organization, the chief op-  
 2 erating officer of the agency.

3 “(3) The chief financial officer or chief operating offi-  
 4 cer of an agency to whom waiver authority is delegated  
 5 under paragraph (2) may redelegate that authority only  
 6 to the deputy chief financial officer or deputy chief oper-  
 7 ating officer of the agency. Such deputy chief financial of-  
 8 ficer or deputy chief operating officer may not redelegate  
 9 such authority.

10 “(d) As used in this section, the term ‘nontax debt’  
 11 means any debt other than a debt under the Internal Rev-  
 12 enue Code of 1986 or the Tariff Act of 1930.”.

13 (b) CLERICAL AMENDMENT.—The table of sections  
 14 at the beginning of chapter 37 of title 31, United States  
 15 Code, is amended by striking the item relating to section  
 16 3720B and inserting the following:

“3720B. Barring delinquent Federal debtors from obtaining Federal benefits.”.

17 (c) CONSTRUCTION.—The amendment made by this  
 18 section shall not be construed as altering or superseding  
 19 the provisions of title 11, United States Code.

20 **SEC. 203. COLLECTION AND COMPROMISE OF NONTAX**  
 21 **DEBTS AND CLAIMS.**

22 (a) USE OF PRIVATE COLLECTION CONTRACTORS  
 23 AND FEDERAL DEBT COLLECTION CENTERS.—Para-  
 24 graph (5) of section 3711(g) of title 31, United States  
 25 Code, is amended to read as follows:

1       “(5)(A) Nontax debts referred or transferred under  
2 this subsection shall be serviced, collected, or com-  
3 promised, or collection action thereon suspended or termi-  
4 nated, in accordance with otherwise applicable statutory  
5 requirements and authorities.

6       “(B) The head of each executive agency that operates  
7 a debt collection center may enter into an agreement with  
8 the Secretary of the Treasury to carry out the purposes  
9 of this subsection.

10       “(C) The Secretary of the Treasury shall—

11               “(i) maintain a schedule of private collection  
12 contractors and debt collection centers operated by  
13 agencies that are eligible for referral of claims under  
14 this subsection;

15               “(ii) maximize collections of delinquent nontax  
16 debts by referring delinquent nontax debts to private  
17 collection contractors promptly;

18               “(iii) maintain competition between private col-  
19 lection contractors;

20               “(iv) ensure, to the maximum extent prac-  
21 ticable, that a private collection contractor to which  
22 a nontax debt is referred is responsible for any ad-  
23 ministrative costs associated with the contract under  
24 which the referral is made.

1       “(D) As used in this paragraph, the term ‘nontax  
2 debt’ means any debt other than a debt under the Internal  
3 Revenue Code of 1986 or the Tariff Act of 1930.”.

4       (b) LIMITATION ON DISCHARGE BEFORE USE OF  
5 PRIVATE COLLECTION CONTRACTOR OR DEBT COLLEC-  
6 TION CENTER.—Paragraph (9) of section 3711(g) of title  
7 31, United States Code, is amended—

8           (1) by redesignating subparagraphs (A) through  
9           (H) as clauses (i) through (viii);

10          (2) by inserting “(A)” after “(9)”;

11          (3) in subparagraph (A) (as designated by  
12          paragraph (2) of this subsection) in the matter pre-  
13          ceding clause (i) (as designated by paragraph (1) of  
14          this subsection), by inserting “and subject to sub-  
15          paragraph (B)” after “as applicable”; and

16          (4) by adding at the end the following:

17          “(B)(i) The head of an executive, judicial, or legisla-  
18          tive agency may not discharge a nontax debt or terminate  
19          collection action on a nontax debt unless the debt has been  
20          referred to a private collection contractor or a debt collec-  
21          tion center, referred to the Attorney General for litigation,  
22          sold without recourse, administrative wage garnishment  
23          has been undertaken, or in the event of bankruptcy, death,  
24          or disability.



1       “(ii) The head of an executive, judicial, or legislative  
2 agency may waive the application of clause (i) to any  
3 nontax debt, or class of nontax debts if the head of the  
4 agency determines that the waiver is in the best interest  
5 of the United States.

6       “(iii) As used in this subparagraph, the term ‘nontax  
7 debt’ means any debt other than a debt under the Internal  
8 Revenue Code of 1986 or the Tariff Act of 1930.”

9       **TITLE III—SALE OF NONTAX**  
10       **DEBTS OWED TO UNITED**  
11       **STATES**

12       **SEC. 301. AUTHORITY TO SELL NONTAX DEBTS.**

13       (a) PURPOSE.—The purpose of this section is to pro-  
14 vide that the head of each executive, judicial, or legislative  
15 agency shall establish a program of nontax debt sales in  
16 order to—

17               (1) minimize the loan and nontax debt port-  
18 folios of the agency;

19               (2) improve credit management while serving  
20 public needs;

21               (3) reduce delinquent nontax debts held by the  
22 agency;

23               (4) obtain the maximum value for loan and  
24 nontax debt assets; and

1           (5) obtain valid data on the amount of the Fed-  
2           eral subsidy inherent in loan programs conducted  
3           pursuant to the Federal Credit Reform Act of 1990  
4           (Public Law 93–344).

5           (b) SALES AUTHORIZED.—(1) Section 3711 of title  
6 31, United States Code, is amended by inserting after sub-  
7 section (h) the following new subsection:

8           “(i)(1) The head of an executive, judicial, or legisla-  
9           tive agency may sell, subject to section 504(b) of the Fed-  
10          eral Credit Reform Act of 1990 (2 U.S.C. 661c(b)) and  
11          using competitive procedures, any nontax debt owed to the  
12          United States that is administered by the agency.

13          “(2) Costs the agency incurs in selling nontax debt  
14          pursuant to this subsection may be deducted from the pro-  
15          ceeds received from the sale. Such costs include—

16                 “(A) the costs of any contract for identification,  
17                 billing, or collection services;

18                 “(B) the costs of contractors assisting in the  
19                 sale of nontax debt;

20                 “(C) the fees of appraisers, auctioneers, and re-  
21                 alty brokers;

22                 “(D) the costs of advertising and surveying;  
23                 and

1           “(E) other reasonable costs incurred by the  
2 agency, as determined by the Director of the Office  
3 of Management and Budget.

4           “(3) Sales of nontax debt under this subsection—

5           “(A) shall be for—

6           “(i) cash; or

7           “(ii) cash and a residuary equity, joint  
8 venture, or profit participation, if the head of  
9 the agency, in consultation with the Director of  
10 the Office of Management and Budget and the  
11 Secretary of the Treasury, determines that the  
12 proceeds will be greater than the proceeds from  
13 a sale solely for cash;

14           “(B) shall be without recourse against the  
15 United States; and

16           “(C) shall transfer to the purchaser all rights  
17 of the United States to demand payment of the  
18 nontax debt, other than with respect to a residuary  
19 equity, joint venture, or profit participation under  
20 subparagraph (A)(ii), but shall not transfer to the  
21 purchaser any rights or defenses uniquely available  
22 to the United States.

23           “(3) This subsection is not intended to limit existing  
24 statutory authority of the head of an executive, judicial,

1 or legislative agency to sell loans, nontax debts, or other  
2 assets.”.

3 **SEC. 302. REQUIREMENT TO SELL CERTAIN NONTAX**  
4 **DEBTS.**

5 Section 3711 of title 31, United States Code, is  
6 amended further by adding at the end the following new  
7 subsection:

8 “(j)(1)(A) The head of each executive, judicial, or leg-  
9 islative agency shall sell any nontax loan owed to the  
10 United States by the later of—

11 “(i) the date on which the nontax debt becomes  
12 24 months delinquent; or

13 “(ii) 24 months after referral of the nontax  
14 debt to the Secretary of the Treasury pursuant to  
15 section 3711(g)(1) of title 31, United States Code.

16 Sales under this subsection shall be conducted under  
17 the authority in section 301.

18 “(B) The head of an executive, judicial, or legislative  
19 agency, in consultation with the Director of the Office of  
20 Management and Budget and the Secretary of the Treas-  
21 ury, may exempt from sale delinquent debt or debts under  
22 this subsection if the head of the agency determines that  
23 the sale is not in the best financial interest of the United  
24 States.

1           “(2) The head of each executive, judicial, or legisla-  
2 tive agency shall sell each loan obligation arising from a  
3 program administered by the agency, not later than 6  
4 months after the loan is disbursed, unless the head of the  
5 agency determines that the sale would interfere with the  
6 mission of the agency administering the program under  
7 which the loan was disbursed, or the head of the agency,  
8 in consultation with the Director of the Office of Manage-  
9 ment and Budget and the Secretary of the Treasury, de-  
10 termines that a longer period is necessary to protect the  
11 financial interests of the United States. Sales under this  
12 subsection shall be conducted under the authority in sec-  
13 tion 301.

14           “(3) After terminating collection action, the head of  
15 an executive, judicial, or legislative agency shall sell, using  
16 competitive procedures, any nontax debt or class of nontax  
17 debts owed to the United States unless the head of the  
18 agency, in consultation with the Director of the Office of  
19 Management and Budget and the Secretary of the Treas-  
20 ury, determines that the sale is not in the best financial  
21 interests of the United States. Sales under this paragraph  
22 shall be conducted under the authority of subsection (i).

23           “(4)(A) The head of an executive, judicial, or legisla-  
24 tive agency shall not, without the approval of the Attorney  
25 General, sell any nontax debt that is the subject of an

1 allegation of or investigation for fraud, or that has been  
2 referred to the Department of Justice for litigation.

3 “(B) The head of an executive, judicial, or legislative  
4 agency may exempt from sale under this subsection any  
5 class of nontax debts or loans if the head of the agency  
6 determines that the sale would interfere with the mission  
7 of the agency administering the program under which the  
8 indebtedness was incurred.”.

## 9 **TITLE IV—TREATMENT OF HIGH** 10 **VALUE NONTAX DEBTS**

### 11 **SEC. 401. ANNUAL REPORT ON HIGH VALUE NONTAX** 12 **DEBTS.**

13 (a) IN GENERAL.—Not later than 90 days after the  
14 end of each fiscal year, the head of each agency that ad-  
15 ministers a program that gives rise to a delinquent high  
16 value nontax debt shall submit a report to Congress that  
17 lists each such debt.

18 (b) CONTENT.—A report under this section shall, for  
19 each debt listed in the report, include the following:

20 (1) The name of each person liable for the debt,  
21 including, for a person that is a company, coopera-  
22 tive, or partnership, the names of the owners and  
23 principal officers.

24 (2) The amounts of principal, interest, and pen-  
25 alty comprising the debt.

1           (3) The actions the agency has taken to collect  
2           the debt, and prevent future losses.

3           (4) Specification of any portion of the debt that  
4           has been written-down administratively or due to a  
5           bankruptcy proceeding.

6           (5) An assessment of why the debtor defaulted.

7           (c) DEFINITIONS.—In this title:

8           (1) AGENCY.—The term “agency” has the  
9           meaning that term has in chapter 37 of title 31,  
10          United States Code, as amended by this Act.

11          (2) HIGH VALUE NONTAX DEBT.—The term  
12          “high value nontax debt” means a nontax debt hav-  
13          ing an outstanding value (including principal, inter-  
14          est, and penalties) that exceeds \$1,000,000.

15   **SEC. 402. REVIEW BY INSPECTORS GENERAL.**

16          The Inspector General of each agency shall review the  
17          applicable annual report to Congress required in section  
18          401 and make such recommendations as necessary to im-  
19          prove performance of the agency. Each Inspector General  
20          shall periodically review and report to Congress on the  
21          agency’s nontax debt collection management practices. As  
22          part of such reviews, the Inspector General shall examine  
23          agency efforts to reduce the aggregate amount of high  
24          value nontax debts that are resolved in whole or in part  
25          by compromise, default, or bankruptcy.

1 **SEC. 403. REQUIREMENT TO SEEK SEIZURE AND FOR-**  
2 **FEITURE OF ASSETS SECURING HIGH VALUE**  
3 **NONTAX DEBT.**

4 The head of an agency authorized to collect a high  
5 value nontax debt that is delinquent shall, when appro-  
6 priate, promptly seek seizure and forfeiture of assets  
7 pledged to the United States in any transaction giving rise  
8 to the nontax debt. When an agency determines that sei-  
9 zure or forfeiture is not appropriate, the agency shall in-  
10 clude a justification for such determination in the report  
11 under section 401.

12 **TITLE V—FEDERAL PAYMENTS**

13 **SEC. 501. TRANSFER OF RESPONSIBILITY TO SECRETARY**  
14 **OF THE TREASURY WITH RESPECT TO**  
15 **PROMPT PAYMENT.**

16 (a) DEFINITION.—Section 3901(a)(3) of title 31,  
17 United States Code, is amended by striking “Director of  
18 the Office of Management and Budget” and inserting  
19 “Secretary of the Treasury”.

20 (b) INTEREST.—Section 3902(c)(3)(D) of title 31,  
21 United States Code, is amended by striking “Director of  
22 the Office of Management and Budget” and inserting  
23 “Secretary of the Treasury”.

24 (c) REGULATIONS.—Section 3903(a) of title 31,  
25 United States Code, is amended by striking “Director of



1 the Office of Management and Budget” and inserting  
2 “Secretary of the Treasury”.

3 **SEC. 502. PROMOTING ELECTRONIC PAYMENTS.**

4 (a) EARLY RELEASE OF ELECTRONIC PAYMENTS.—  
5 Section 3903(a) of title 31, United States Code, is  
6 amended—

7 (1) by amending paragraph (1) to read as fol-  
8 lows:

9 “(1) provide that the required payment date  
10 is—

11 “(A) the date payment is due under the  
12 contract for the item of property or service pro-  
13 vided; or

14 “(B) no later than 30 days after a proper  
15 invoice for the amount due is received if a spe-  
16 cific payment date is not established by con-  
17 tract;”; and

18 (2) by striking “and” after the semicolon at the  
19 end of paragraph (8), by striking the period at the  
20 end of paragraph (9) and inserting “; and”, and by  
21 adding at the end the following:

22 “(10) provide that the Secretary of the Treas-  
23 ury may waive the application of requirements under  
24 paragraph (1) to provide for early payment of ven-  
25 dors in cases where an agency will implement an

1 electronic payment technology which improves agen-  
2 cy cash management and business practice.”.

3 (b) AUTHORITY TO ACCEPT ELECTRONIC PAY-  
4 MENT.—

5 (1) IN GENERAL.—Subject to an agreement be-  
6 tween the head of an executive agency and the appli-  
7 cable financial institution or institutions based on  
8 terms acceptable to the Secretary of the Treasury,  
9 the head of such agency may accept an electronic  
10 payment, including debit and credit cards, to satisfy  
11 a nontax debt owed to the agency.

12 (2) GUIDELINES FOR AGREEMENTS REGARDING  
13 PAYMENT.—The Secretary of the Treasury shall de-  
14 velop guidelines regarding agreements between agen-  
15 cies and financial institutions under paragraph (1).

16 **SEC. 503. DEBT SERVICES ACCOUNT.**

17 (a) TRANSFER OF FUNDS TO DEBT SERVICES AC-  
18 COUNT.—The Secretary of the Treasury may transfer bal-  
19 ances in accounts established before the date of the enact-  
20 ment of this Act pursuant to section of 3711(g)(7) of title  
21 31, United States Code, to the Debt Services Account es-  
22 tablished under subsection (b). All amounts transferred to  
23 the Debt Services Account under this section shall remain  
24 available until expended.

1           (b) ESTABLISHMENT OF DEBT SERVICES AC-  
2 COUNT.—Subsection (g)(7) of section 3711 of title 31,  
3 United States Code, is amended by striking the second  
4 sentence and inserting the following: “Any fee charged  
5 pursuant to this subsection shall be deposited into an ac-  
6 count established in the Treasury to be known as the  
7 ‘Debt Services Account’ (hereinafter referred to in this  
8 section as the ‘Account’).”.

9           (c) REIMBURSEMENT OF FUNDS.—Section 3711(g)  
10 of title 31, United States Code, is amended—

11                 (1) by striking paragraph (8);

12                 (2) by redesignating paragraphs (9) and (10)  
13 as paragraphs (8) and (9), respectively; and

14                 (3) by amending paragraph (9) (as redesign-  
15 nated by paragraph (2)) to read as follows:

16                     “(9) To carry out the purposes of this sub-  
17 section, including services provided under sections  
18 3716 and 3720A, the Secretary of the Treasury  
19 may—

20                             “(A) prescribe such rules, regulations, and  
21 procedures as the Secretary considers nec-  
22 essary;

23                             “(B) transfer such funds from funds ap-  
24 propriated to the Department of the Treasury  
25 as may be necessary to meet liabilities and obli-

1           gations incurred prior to the receipt of fees that  
2           result from debt collection; and

3           “(C) reimburse any funds from which  
4           funds were transferred under subparagraph (B)  
5           from fees collected pursuant to sections 3711,  
6           3716, and 3720A. Any reimbursement under  
7           this subparagraph shall occur during the period  
8           of availability of the funds transferred under  
9           subparagraph (B) and shall be available to the  
10          same extent and for the same purposes as the  
11          funds originally transferred.”.

12          (d) DEPOSIT OF TAX REFUND OFFSET FEES.—The  
13          last sentence of section 3720A(d) of title 31, United  
14          States Code, is amended to read as follows: “Amounts  
15          paid to the Secretary of the Treasury as fees under this  
16          section shall be deposited into the Debt Services Account  
17          of the Department of the Treasury described in section  
18          3711(g)(7) and shall be collected and accounted for in ac-  
19          cordance with the provisions of that section.”.

## 20       **TITLE VI—FEDERAL PROPERTY**

### 21       **SEC. 601. AMENDMENT OF FEDERAL PROPERTY AND AD-**

#### 22                               **MINISTRATIVE SERVICES ACT OF 1949.**

23          Section 203(p)(1)(B) of the Federal Property and  
24          Administrative Services Act of 1949 (40 U.S.C.  
25          484(p)(1)(B)) is amended—

- 1 (1) by striking clause (ii);
- 2 (2) by striking “(i)”;
- 3 (3) by striking “(I)” and inserting “(i)”;
- 4 (4) by striking “(II)” and inserting “(ii)”.

Passed the House of Representatives August 2,  
1999.

Attest:

*Clerk.*