



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1424

PRINTERS NO. 1852 PRIME SPONSOR: Bloom

COST / (SAVINGS)

FUND	FY 2010/11	FY 2011/12
General Fund	\$0	\$0
PA Preferred Trademark Licensing Fund	\$0	\$0

SUMMARY: House Bill 1424, Printer's Number 1852, amends Title 3 (Agriculture) of the Pennsylvania Consolidated Statutes to provide for the registration, licensing and use of the PA Preferred Trademark and establishes the PA Preferred Trademark Licensing Fund. This bill shall take effect in 60 days upon enactment.

ANALYSIS: This legislation amends Title 3 (Agriculture) of the Pennsylvania Consolidated Statutes to establish the Pennsylvania Preferred Act, which is to promote Pennsylvania agricultural commodities using one or more trademarks that consist of the phrase "Pennsylvania Preferred" or "PA Preferred." The department is required to acquire, create, establish, register, maintain, license, promote and protect a PA Preferred Trademark for use in the sale, marketing or promotion of PA-produced agricultural commodities.

A qualified entity may apply to be licensed to use the PA Preferred trademark if they meet at least one of the following requirements: a person who produces, processes or markets PA agricultural commodities; a public eating and drinking places that include qualifying agricultural commodities; and a person approved by the department to use and promote the use of the PA Preferred trademark in furthering the purposes of the chapter. The department has the authority to set the terms of licensing agreements, with license terms being for one year and renewable annually.

The department may charge a licensee for costs incurred with a licensee's participation in any activity or for the costs of PA Preferred promotional materials provided by the department at the request of the licensee. HB 1424 also establishes the PA Preferred® Trademark Licensing Fund in the State Treasury. This interest-bearing restricted account shall be the depository for funds appropriated, granted or collected from licensees.

Funds in the account are to be used for the costs associated with administering the program. There are no fees associated with licensing. Money in the fund is to be appropriated to the department for the purpose of administering the program.

The department may also assess a civil penalty of no more than \$10,000 per violation of a trademark license agreement, as well as injunctive relief. The department shall promulgate rules and regulations necessary to administer the chapter, and may use guidelines until December 31, 2013.

FISCAL IMPACT: Enactment of this legislation will have no adverse fiscal impact on Commonwealth Funds. Any costs incurred by the department related to the PA Preferred program may be charged and passed to the licensees. All related payments collected and deposited into the PA Preferred Trademark Licensing Fund will be used to administer the program.

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House Appropriations Committee (R)

DATE: May 24, 2011

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.