



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 651

PRINTERS NO. 651

PRIME SPONSOR: Clymer

COST / (SAVINGS)

FUND	FY 2010/11	FY 2011/12
General Fund	\$0	\$0

SUMMARY: Creates the Flag Procurement Act. This legislation would take effect in 60 days and apply to the purchase or procurement of flags on or after the effective date.

ANALYSIS: This legislation would require all state agencies to procure only American and Pennsylvania flags which are manufactured in the United States. This legislation provides that:

- A “government agency” is defined as the General Assembly and its officers and agencies, an executive agency, an independent agency or a state affiliated agency.
- A flag is manufactured in the U.S. if a substantial majority of the principal components are assembled into the final product in the U.S.
- Contract documents for the procurement of flags must contain a requirement that the flags will be manufactured in the U.S.
- An agency will make a payment on a flag contract only if the person under contract adheres to the manufacturing requirement set forth in the bill.
- Any payment made by a government agency to a flag vendor, which violates this proposed act, is recoverable by the agency.
- Any person who willfully violates the manufacturing requirement may be prohibited from participation in contracts awarded by an agency for a period of five years.
- An exception may be made to the U.S. manufacturing requirement if the head of the government agency states in writing that the purchase or procurement provisions are inconsistent with the public interest or that the cost is unreasonable.

FISCAL IMPACT: This legislation would have no adverse impact on Commonwealth funds. The legislation provides for an exception to the requirement if the cost is unreasonable.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: June 27, 2011

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