



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 743

PRINTERS NO. 880

PRIME SPONSOR: Jozwiak

COST / (SAVINGS)

FUND	FY 2014/15	FY 2015/16
General Fund	\$0	\$0

SUMMARY: Creates a new subchapter in Chapter 37 of Title 62 (Procurement Code) known as the Flag Procurement and American-Made Product Preference Act.

ANALYSIS: HB 743 requires all Commonwealth agencies and the General Assembly to procure only American and Pennsylvania flags that are manufactured in the United States and give preference to American-made products when they are similarly priced and of similar value and usefulness. Key provisions of the bill include:

- A flag is manufactured in the U.S. if the fabric, cloth or paper is woven, dyed, printed or otherwise embedded 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.
- A Commonwealth agency or the General Assembly will make a payment on a flag contract only if the person under contract adheres to the manufacturing requirements set forth in the bill.
- Any payment made by a Commonwealth agency or the General Assembly to a vendor which violates this proposed act is recoverable by the agency.
- Any person who willfully violates the U.S. manufacturing requirement may be prohibited from participation in contracts awarded by a government agency for a period of five years.
- The proposed act applies only to the purchase or procurement of flags and other products on or after the bill's effective date.

Effective Date: 60 days.

FISCAL IMPACT: Pennsylvania currently purchases thousands of state and national flags from companies that manufacture the flags in the U.S. Therefore, enactment of the legislation requiring commonwealth agencies to procure only flags manufactured in the U.S. will have no adverse fiscal impact on Commonwealth Funds. Additionally, the requirement that Commonwealth agencies give preference to American-made products should have no adverse

fiscal impact on Commonwealth Funds due to the stipulation that the products be similarly priced and of similar value and similar usefulness.

PREPARED BY: Thomas Gwinn
House Appropriations Committee (R)

DATE: May 1, 2015

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