

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 282

PRINTER NO. 304

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

February 21, 2023

PRIME SPONSOR

Senator Argall

DESCRIPTION

Senate Bill 282 establishes the Restrictions for Associations with Russia and Belarus Act to restrict the Commonwealth from entering into contracts or providing grants or tax credits to persons associated with Russia and Belarus.

The legislation requires the Pennsylvania Treasury Department (Treasury) to develop and publish a list of persons as defined in the legislation that are owned or controlled by, or are acting for or on behalf of, Russia or Belarus as defined by the Office of Foreign Assets Control of the United States Department of Treasury.

The legislation provides that a person found to be on the list may not: (1) bid on, submit a proposal for, enter into, be a party to or renew a contract with a Commonwealth agency for the provision of goods and services; (2) submit a proposal for, be associated with or renew a grant issued by the Commonwealth; or (3) submit a proposal for, receive or renew a tax credit offered by the Commonwealth.

The legislation requires the Treasury to publish a list of "persons" on its publicly accessible internet website.

The legislation provides for a process for a person to challenge inclusion on the list and have their name stricken from it by presenting proof to the Treasury of removal from the Specifically Designated Nationals and Blocked Persons list maintained by the United States Department of Treasury.

The legislation requires the Treasury to develop a list of critical materials and minerals that are to be exempted from this act that include those minerals identified by the United States Department of Interior as part of Executive Order 13817. It provides that any person who provides, obtains or supplies a mineral identified as critical minerals or materials to the federal government or a United States domiciled business will, upon notification to the Treasury, be removed from the list and be exempted from any restrictions imposed by this act. It also provides for the list to be reviewed and updated by the Treasury annually.

The legislation requires money appropriated from the General Fund or awarded by a Commonwealth agency for use in a Pennsylvania-based project that would be restricted by the legislation to be paid in full if a portion of the money was expended

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prior to the effective date of the legislation, unless the cause to cease payment is unrelated to the provisions of the legislation.

The legislation is scheduled to take effect in 60 days.

FISCAL IMPACT:

The Pennsylvania Treasury estimates that Senate Bill 282 will cost \$50,000 annually to utilize a vendor to verify and update the list of persons associated with Russia and Belarus. It may also incur minor administrative costs related to challenges by persons to inclusion on the list. These additional costs and duties can be accommodated within its existing general government operating budget.