

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 438

**PRINTER NO.** 1184

**AMOUNT**

\$130,909

**FUND**

General Fund

**DATE INTRODUCED**

March 14, 2023

**PRIME SPONSOR**

Senator Bartolotta

**DESCRIPTION**

Senate Bill 438 amends Title 51 (Military Affairs) of the Pennsylvania Consolidated Statutes to establish veteran-owned small business logotypes.

This legislation amends the definition of “veteran” in section 9601 of Title 51 as any of the following:

- 1) An individual who served on active duty in the United States Armed Forces, including the reserve and National Guard, who was discharged or released from service under honorable conditions;
- 2) A reservist or member of the National Guard who completed an initial term of enlistment or qualifying period of service; or
- 3) A reservist or member of the National Guard who was disabled in the line of duty during training.

Chapter 96 of Title 51 is further amended by adding a Subchapter D (Miscellaneous Provisions). This subchapter adds the following definitions:

- Defines “nonprofit membership association” as a nonprofit organization whose mission is to support veterans, reservists, National Guard members, their spouses and families; and
- Defines “veteran-owned business” as a business owned or controlled by a veteran.

Section 9622 provides that the Department of Military and Veterans’ Affairs (department) shall develop and design an official Commonwealth logotype to be used by a veteran-owned business.

This section provides for all of the following:

- Certain eligibility requirements along with a verification process;
- Requires the department to post on the department’s publicly accessible internet website a notice that logotypes created under this legislation are available to eligible businesses and criteria necessary to receive the logotypes, along with access to the applications and directions on how to submit the applications;

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- Establishes that an individual commits a misdemeanor of the third degree if the individual fraudulently holds the individual out to be a veteran for the purpose of obtaining a logotype established under this legislation;
- Requires the full amount of each fine collected for violations of this section to be deposited into the Veterans' Trust Fund; and
- Requires the department to prepare an annual report on the number of veteran-owned businesses issued a license to use the logotype, the annual applications and renewals of the licenses during the preceding year. A copy of the report shall be sent to the Veterans Affairs and Emergency Preparedness committees of the Senate and the House of Representatives.

Section 9623 authorizes the department to contract with a nonprofit membership association to perform the duties and responsibilities under section 9622.

This act shall take effect in 60 days.

### **FISCAL IMPACT:**

According to the department, enactment of this legislation will result in first year costs of \$130,909 and an annual cost of \$106,771. These costs are for the following:

- 1) Creating a logotype - \$1,389;
- 2) Development of applications and renewal forms - \$22,139;
- 3) Salary and benefits for one additional full-time employee - \$106,771; and
- 4) Logotype stickers - \$610.